

## DOCUMENT RESUME

ED 350 955

HE 025 933

TITLE Health Professions Education Extension Amendments of 1992. Conference Report, 2d Session. (To accompany H.R. 3508, 102d Congress, 2d Session.)

INSTITUTION Congress of the U.S., Washington, D.C. House.

REPORT NO House-R-102-925

PUB DATE 29 Sep 92

NOTE 132p.

PUB TYPE Legal/Legislative/Regulatory Materials (090)

EDRS PRICE MF01/PC06 Plus Postage.

DESCRIPTORS \*Allied Health Occupations; \*Federal Legislation; Federal Programs; Higher Education; \*Medical Education; Nursing Education; Student Financial Aid

IDENTIFIERS Health Policy; \*Health Professions Educ Exten Amendments 1992

## ABSTRACT

This conference report contains a proposed alternative amendment to the Public Health Service Act to reconcile differences between the Senate and House amendments. The bulk of the document presents the proposed revisions to: Title I on health professions education; Title II concerning nurse education; and Title III offering miscellaneous provisions (e.g., establishment of various councils and commissions; authorizing a study regarding clinical laboratory technologists for medically underserved and rural communities; expanding the locations of certain clinical traineeships; and authorizing grants for residency training programs in emergency medicine, and for a study on effectiveness of health professions programs). Following the amendment is a statement by the Committee listing changes in the amendment by section number, and explaining the reasons for many of the more significant changes item by item. The introduction to this statement makes clear that this amendment does not simply reauthorize a previous program but restructures the program and related authorization levels to place greater emphasis on activities to improve health care access and delivery by increasing the training of health care providers, especially providers of primary care services in medically underserved areas. (JB)

\*\*\*\*\*  
\* Reproductions supplied by EDRS are the best that can be made \*  
\* from the original document. \*  
\*\*\*\*\*

HEALTH PROFESSIONS EDUCATION EXTENSION AMENDMENTS OF 1992

SEPTEMBER 29, 1992.—Ordered to be printed

Mr. DINGELL, from the committee of conference,  
submitted the following

CONFERENCE REPORT

[To accompany H.R. 3508]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3508) to amend the Public Health Service Act to revise and extend certain programs relating to the education of individuals as health professionals, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE*.—This Act may be cited as the "Health Professions Education Extension Amendments of 1992".

(b) *TABLE OF CONTENTS*.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—HEALTH PROFESSIONS EDUCATION

Sec. 101. Table of contents regarding revised title VII of Public Health Service Act.

Sec. 102. Revision of title VII of Public Health Service Act.

Sec. 103. Effective date.

TITLE II—NURSE EDUCATION

Sec. 201. Short title.

Sec. 202. Special project grants and contracts.

Sec. 203. Advanced nurse education.

Sec. 204. Nurse practitioner and nurse midwife programs.

Sec. 205. Special projects regarding disadvantaged individuals.

Sec. 206. Traineeships for advanced education of professional nurses.

Sec. 207. Nurse anesthetists.

Sec. 208. Student loans.

Sec. 209. Certain generally applicable provisions.

50-006

U.S. DEPARTMENT OF EDUCATION  
Office of Educational Research and Improvement  
EDUCATIONAL RESOURCES INFORMATION  
CENTER (ERIC)

☒ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

\* Points of view or opinions stated in this document do not necessarily represent official DERI position or policy.

BEST COPY AVAILABLE



- Sec. 210. Demonstration program regarding service in certain health care facilities.
- Sec. 211. Transfer of loan repayment program.
- Sec. 212. Advisory council on nurses education; review committee.
- Sec. 213. Evaluations.

### **TITLE III—MISCELLANEOUS PROVISIONS**

- Sec. 301. Advisory Council on Graduate Medical Education.
- Sec. 302. Commission on allied health.
- Sec. 303. Study regarding clinical laboratory technologists for medically underserved and rural communities.
- Sec. 304. Residency training programs in emergency medicine.
- Sec. 305. Certain clinical traineeships.
- Sec. 306. Special consolidated loan program.
- Sec. 307. National Advisory Council on Medical Licensure.
- Sec. 308. Required assurances regarding bloodborne diseases.
- Sec. 309. Study on effectiveness of health professions programs.
- Sec. 310. Delayed applicability of certain provisions.
- Sec. 311. Certain application procedures.
- Sec. 312. Certain projects.

## **TITLE I—HEALTH PROFESSIONS EDUCATION**

### **SEC. 101. TABLE OF CONTENTS REGARDING REVISED TITLE VII OF PUBLIC HEALTH SERVICE ACT.**

A table describing the contents of title VII of the Public Health Service Act, as amended by section 102 of this Act, is as follows:

#### **TITLE VII—HEALTH PROFESSIONS EDUCATION**

##### **PART A—STUDENT LOANS**

##### **SUBPART I—INSURED HEALTH EDUCATION ASSISTANCE LOANS TO GRADUATE STUDENTS**

- Sec. 701. Statement of purpose.
- Sec. 702. Scope and duration of loan insurance program.
- Sec. 703. Limitations on individual insured loans and on loan insurance.
- Sec. 704. Sources of funds.
- Sec. 705. Eligibility of borrowers and terms of insured loans.
- Sec. 706. Certificate of loan insurance; effective date of insurance.
- Sec. 707. Default of borrower.
- Sec. 708. Risk-based premiums.
- Sec. 709. Office for Health Education Assistance Loan Default Reduction.
- Sec. 710. Insurance account.
- Sec. 711. Powers and responsibilities of Secretary.
- Sec. 712. Participation by Federal credit unions in Federal, state, and private student loan insurance programs.
- Sec. 713. Determination of eligible students.
- Sec. 714. Repayment by Secretary of loans of deceased or disabled borrowers.
- Sec. 715. Additional requirements for institutions and lenders.
- Sec. 719. Definitions.
- Sec. 720. Authorization of appropriations.

##### **SUBPART II—FEDERALLY-SUPPORTED STUDENT LOAN FUNDS**

- Sec. 721. Agreements for operation of school loan funds.
- Sec. 722. Loan provisions.
- Sec. 723. Medical schools and primary health care.
- Sec. 724. Individuals from disadvantaged backgrounds.
- Sec. 725. Administrative provisions.
- Sec. 726. Provision by schools of information to students.
- Sec. 727. Procedures for appeal of termination of agreements.
- Sec. 728. Distribution of assets from loan funds.
- Sec. 735. Authorization of appropriations; certain other funding issues.

#### **PART B—STUDENTS FROM DISADVANTAGED BACKGROUNDS**

- Sec. 736. Scholarships for students of exceptional financial need.
- Sec. 737. Scholarships generally; certain other purposes.
- Sec. 738. Loan repayments and fellowships regarding faculty positions.
- Sec. 739. Centers of excellence.
- Sec. 740. Educational assistance regarding undergraduates.

#### **PART C—TRAINING IN PRIMARY HEALTH CARE**

- Sec. 746. Area health education center programs.
- Sec. 747. Family medicine.
- Sec. 748. General internal medicine and general pediatrics.
- Sec. 749. General practice of dentistry.
- Sec. 750. Physician assistants.
- Sec. 751. Podiatric medicine.
- Sec. 752. General provisions for certain programs.

#### **PART D—TRAINING IN CERTAIN HEALTH PROFESSIONS**

##### **SUBPART I—PUBLIC HEALTH AND PREVENTIVE MEDICINE**

- Sec. 761. Public health traineeships.
- Sec. 762. Public health special projects.
- Sec. 763. Preventive medicine; dental public health.
- Sec. 765. Authorization of appropriations.

##### **SUBPART II—ALLIED HEALTH PROFESSIONS**

- Sec. 766. Traineeships.
- Sec. 767. Project grants and contracts.

##### **SUBPART III—HEALTH ADMINISTRATION**

- Sec. 771. Traineeships and special projects.

#### **PART E—SPECIAL TRAINING PROJECTS**

- Sec. 776. Acquired immune deficiency syndrome.
- Sec. 777. Geriatrics.
- Sec. 778. Rural areas.

#### **PART F—MISCELLANEOUS PROGRAMS**

- Sec. 781. Research on certain health professions issues.
- Sec. 782. Chiropractic demonstration projects.

#### **PART G—GENERAL PROVISIONS**

- Sec. 791. Preferences and required information in certain programs.
- Sec. 792. Health professions data.
- Sec. 793. Statistics; annual report.
- Sec. 794. Prohibition against discrimination on basis of sex.
- Sec. 795. Obligated service regarding certain programs.
- Sec. 798. Certain general provisions.
- Sec. 799. Definitions.

#### **SEC. 102. REVISION OF TITLE VII OF PUBLIC HEALTH SERVICE ACT.**

Title VII of the Public Health Service Act (42 U.S.C. 292a et seq.) is amended to read as follows:

## **"TITLE VII—HEALTH PROFESSIONS EDUCATION**

### **"PART A—STUDENT LOANS**

#### **"Subpart I—Insured Health Education Assistance Loans to Graduate Students**

##### **"SEC. 701. STATEMENT OF PURPOSE.**

*"The purpose of this subpart is to enable the Secretary to provide a Federal program of student loan insurance for students in (and certain former students of) eligible institutions (as defined in section 719).*

##### **"SEC. 702. SCOPE AND DURATION OF LOAN INSURANCE PROGRAM.**

*"(a) IN GENERAL.—The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 719) to borrowers covered by Federal loan insurance under this subpart shall not exceed \$350,000,000 for fiscal year 1993, \$375,000,000 for fiscal year 1994, and \$425,000,000 for fiscal year 1995. If the total amount of new loans made and installments paid pursuant to lines of credit in any fiscal year is less than the ceiling established for such year, the difference between the loans made and installments paid and the ceiling shall be carried over to the next fiscal year and added to the ceiling applicable to that fiscal year, and if in any fiscal year no ceiling has been established, any difference carried over shall constitute the ceiling for making new loans (including loans to new borrowers) and paying installments for such fiscal year. Thereafter, Federal loan insurance pursuant to this subpart may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this subpart, to continue or complete their educational program or to obtain a loan under section 705(a)(1)(B) to pay interest on such prior loans; but no insurance may be granted for any loan made or installment paid after September 30, 1998. The total principal amount of Federal loan insurance available under this subsection shall be granted by the Secretary without regard to any apportionment for the purpose of chapter 15 of title 31, United States Code, and without regard to any similar limitation.*

##### **"(b) CERTAIN LIMITATIONS AND PRIORITIES.—**

*"(1) LIMITATIONS REGARDING LENDERS, STATES, OR AREAS.—The Secretary may, if necessary to assure an equitable distribution of the benefits of this subpart, assign, within the maximum amounts specified in subsection (a), Federal loan insurance quotas applicable to eligible lenders, or to States or areas, and may from time to time reassign unused portions of these quotas.*

*"(2) PRIORITY FOR CERTAIN LENDERS.—In providing certificates of insurance under section 706 through comprehensive contracts, the Secretary shall give priority to eligible lenders that agree—*

"(A) to make loans to students at interest rates below the rates prevailing, during the period involved, for loans covered by Federal loan insurance pursuant to this subpart; or

"(B) to make such loans under terms that are otherwise favorable to the student relative to the terms under which eligible lenders are generally making such loans during such period.

"(c) **AUTHORITY OF STUDENT LOAN MARKETING ASSOCIATION.—**

"(1) **IN GENERAL.**—Subject to paragraph (2), the Student Loan Marketing Association, established under part B of title IV of the Higher Education Act of 1965, is authorized to make advances on the security of, purchase, service, sell, consolidate, or otherwise deal in loans which are insured by the Secretary under this subpart, except that if any loan made under this subpart is included in a consolidated loan pursuant to the authority of the Association under part B of title IV of the Higher Education Act of 1965, the interest rate on such consolidated loan shall be set at the weighted average interest rate of all such loans offered for consolidation and the resultant per centum shall be rounded downward to the nearest one-eighth of 1 per centum, except that the interest rate shall be no less than the applicable interest rate of the guaranteed student loan program established under part B of title IV of the Higher Education Act of 1965. In the case of such a consolidated loan, the borrower shall be responsible for any interest which accrues prior to the beginning of the repayment period of the loan, or which accrues during a period in which principal need not be paid (whether or not such principal is in fact paid) by reason of any provision of the Higher Education Act of 1965.

"(2) **APPLICABILITY OF CERTAIN FEDERAL REGULATIONS.—**

With respect to Federal regulations for lenders, this subpart may not be construed to preclude the applicability of such regulations to the Student Loan Marketing Association or to any other entity in the business of purchasing student loans, including such regulations with respect to applications, contracts, and due diligence.

"**SEC. 703. LIMITATIONS ON INDIVIDUAL INSURED LOANS AND ON LOAN INSURANCE.**

"(a) **IN GENERAL.**—The total of the loans made to a student in any academic year or its equivalent (as determined by the Secretary) which may be covered by Federal loan insurance under this subpart may not exceed \$20,000 in the case of a student enrolled in a school of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, or podiatric medicine, and \$12,500 in the case of a student enrolled in a school of pharmacy, public health, allied health, or chiropractic, or a graduate program in health administration or clinical psychology. The aggregate insured unpaid principal amount for all such insured loans made to any borrower shall not at any time exceed \$80,000 in the case of a borrower who is or was a student enrolled in a school of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, or podiatric medicine, and \$50,000 in the case of a borrower who is or was a student enrolled

in a school of pharmacy, public health, allied health, or chiropractic, or a graduate program in health administration or clinical psychology. The annual insurable limit per student shall not be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of the annual limit.

"(b) **EXTENT OF INSURANCE LIABILITY.**—The insurance liability on any loan insured by the Secretary under this subpart shall be 100 percent of the unpaid balance of the principal amount of the loan plus interest. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under the provisions of section 707 or 714.

**"SEC. 704. SOURCES OF FUNDS.**

"Loans made by eligible lenders in accordance with this subpart shall be insurable by the Secretary whether made from funds fully owned by the lender or from funds held by the lender in a trust or similar capacity and available for such loans.

**"SEC. 705. ELIGIBILITY OF BORROWERS AND TERMS OF INSURED LOANS.**

"(a) **IN GENERAL.**—A loan by an eligible lender shall be insurable by the Secretary under the provisions of this subpart only if—

"(1) made to—

"(A) a student who—

"(i)(I) has been accepted for enrollment at an eligible institution, or (II) in the case of a student attending an eligible institution, is in good standing at that institution, as determined by the institution;

"(ii) is or will be a full-time student at the eligible institution;

"(iii) has agreed that all funds received under such loan shall be used solely for tuition, other reasonable educational expenses, including fees, books, and laboratory expenses, and reasonable living expenses, incurred by such students;

"(iv) if required under section 3 of the Military Selective Service Act to present himself for and submit to registration under such section, has presented himself and submitted to registration under such section; and

"(v) in the case of a pharmacy student, has satisfactorily completed three years of training; or

"(B) an individual who—

"(i) has previously had a loan insured under this subpart when the individual was a full-time student at an eligible institution;

"(ii) is in a period during which, pursuant to paragraph (2), the principal amount of such previous loan need not be paid;

"(iii) has agreed that all funds received under the proposed loan shall be used solely for repayment of interest due on previous loans made under this subpart; and

"(iv) if required under section 3 of the Military Selective Service Act to present himself for and submit to

registration under such section, has presented himself and submitted to registration under such section;

"(2) evidenced by a note or other written agreement which—

"(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, an endorsement may be required;

"(B) provides for repayment of the principal amount of the loan in installments over a period of not less than 10 years (unless sooner repaid) nor more than 25 years beginning not earlier than 9 months nor later than 12 months after the date of—

"(i) the date on which—

"(I) the borrower ceases to be a participant in an accredited internship or residency program of not more than four years in duration;

"(II) the borrower completes the fourth year of an accredited internship or residency program of more than four years in duration; or

"(III) the borrower, if not a participant in a program described in subclause (I) or (II), ceases to carry, at an eligible institution, the normal full-time academic workload as determined by the institution; or

"(ii) the date on which a borrower who is a graduate of an eligible institution ceases to be a participant in a fellowship training program not in excess of two years or a participant in a full-time educational activity not in excess of two years, which—

"(I) is directly related to the health profession for which the borrower prepared at an eligible institution, as determined by the Secretary; and

"(II) may be engaged in by the borrower during such a two-year period which begins within twelve months after the completion of the borrower's participation in a program described in subclause (I) or (II) of clause (i) or prior to the completion of the borrower's participation in such program,

except as provided in subparagraph (C), except that the period of the loan may not exceed 33 years from the date of execution of the note or written agreement evidencing it, and except that the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in the payment of the costs of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Secretary in effect at the time the loan is made;

"(C) provides that periodic installments of principal and interest need not be paid, but interest shall accrue, during any period (i) during which the borrower is pursuing a full-time course of study at an eligible institution (or at an institution defined by section 481(a) of the Higher Education Act of 1965); (ii) not in excess of four years



during which the borrower is a participant in an accredited internship or residency program, (including any period in such a program described in subclause (I) or subclause (II) of subparagraph (B)(i)); (iii) not in excess of three years, during which the borrower is a member of the Armed Forces of the United States; (iv) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act; (v) not in excess of three years during which the borrower is a member of the National Health Service Corps; (vi) not in excess of three years during which the borrower is in service as a full-time volunteer under title I of the Domestic Volunteer Service Act of 1973; (vii) not in excess of 3 years, for a borrower who has completed an accredited internship or residency training program in osteopathic general practice, family medicine, general internal medicine, preventive medicine, or general pediatrics and who is practicing primary care; (viii) not in excess of 1 year, for borrowers who are graduates of schools of chiropractic; (ix) any period not in excess of two years which is described in subparagraph (B)(ii); and (x) in addition to all other deferments for which the borrower is eligible under clauses (i) through (ix), any period during which the borrower is a member of the Armed Forces on active duty during the Persian Gulf conflict, and any period described in clauses (i) through (x) shall not be included in determining the 25-year period described in subparagraph (B);

"(D) provides for interest on the unpaid principal balance of the loan at a yearly rate, not exceeding the applicable maximum rate prescribed and defined by the Secretary (within the limits set forth in subsection (b)) on a national, regional, or other appropriate basis, which interest shall be compounded not more frequently than annually and payable in installments over the period of the loan except as provided in subparagraph (C), except that the note or other written agreement may provide that payment of any interest may be deferred until not later than the date upon which repayment of the first installment of principal falls due or the date repayment of principal is required to resume (whichever is applicable) and may further provide that, on such date, the amount of the interest which has so accrued may be added to the principal for the purposes of calculating a repayment schedule;

"(E) offers, in accordance with criteria prescribed by regulation by the Secretary, a schedule for repayment of principal and interest under which payment of a portion of the principal and interest otherwise payable at the beginning of the repayment period (as defined in such regulations) is deferred until a later time in the period;

"(F) entitles the borrower to accelerate without penalty repayment of the whole or any part of the loan;

"(G) provides that the check for the proceeds of the loan shall be made payable jointly to the borrower and the eligible institution in which the borrower is enrolled;

"(H) notwithstanding the provisions of the Fair Debt Collection Practices Act, authorizes an institution or post-graduate training program attended by the borrower to assist in the collection of any loan that becomes delinquent, including providing information concerning the borrower to the Secretary and to past and present lenders and holders of the borrower's loans; and

"(I) contains such other terms and conditions consistent with the provisions of this subpart and with the regulations issued by the Secretary pursuant to this subpart, as may be agreed upon by the parties to such loan, including, if agreed upon, a provision requiring the borrower to pay to the lender, in addition to principal and interest, amounts equal to the insurance premiums payable by the lender to the Secretary with respect to such loan; and

"(3) subject to the consent of the student and subject to applicable law, the eligible lender has obtained from the student appropriate demographic information regarding the student, including racial or ethnic background.

"(b) **LIMITATION ON RATE OF INTEREST.**—The rate of interest prescribed and defined by the Secretary for the purpose of subsection (a)(2)(D) may not exceed the average of the bond equivalent rates of the 91-day Treasury bills auctioned for the previous quarter plus 3 percentage points, rounded to the next higher one-eighth of 1 percent.

"(c) **MINIMUM ANNUAL PAYMENT BY BORROWER.**—The total of the payments by a borrower during any year or any repayment period with respect to the aggregate amount of all loans to that borrower which are insured under this subpart shall not be less than the annual interest on the outstanding principal, except as provided in subsection (a)(2)(C), unless the borrower, in the written agreement described in subsection (a)(2), agrees to make payments during any year or any repayment period in a lesser amount.

"(d) **APPLICABILITY OF CERTAIN LAWS ON RATE OR AMOUNT OF INTEREST.**—No provision of any law of the United States (other than subsections (a)(2)(D) and (b)) or of any State that limits the rate or amount of interest payable on loans shall apply to a loan insured under this subpart.

"(e) **DETERMINATION REGARDING FORBEARANCE.**—Any period of time granted to a borrower under this subpart in the form of forbearance on the loan shall not be included in the 25-year total loan repayment period under subsection (a)(2)(C).

"(f) **LOAN REPAYMENT SCHEDULE.**—Lenders and holders under this subpart shall offer borrowers graduated loan repayment schedules that, during the first 5 years of loan repayment, are based on the borrower's debt-to-income ratio.

"(g) **RULE OF CONSTRUCTION REGARDING DETERMINATION OF NEED OF STUDENTS.**—With respect to any determination of the financial need of a student for a loan covered by Federal loan insurance under this subpart, this subpart may not be construed to limit the authority of any school to make such allowances for students with special circumstances as the school determines appropriate.

"(h) **DEFINITIONS.**—For purposes of this section:

"(1) The term 'active duty' has the meaning given such term in section 101(18) of title 37, United States Code, except that such term does not include active duty for training.

"(2) The term 'Persian Gulf conflict' means the period beginning on August 2, 1990, and ending on the date thereafter prescribed by Presidential proclamation or by law.

**"SEC. 706. CERTIFICATE OF LOAN INSURANCE; EFFECTIVE DATE OF INSURANCE.**

**"(a) IN GENERAL.—**

"(1) **AUTHORITY FOR ISSUANCE OF CERTIFICATE.**—If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Secretary may require, and otherwise in conformity with this section, the Secretary finds that the applicant has made a loan to an eligible borrower which is insurable under the provisions of this subpart, he may issue to the applicant a certificate of insurance covering the loan and setting forth the amount and terms of the insurance.

"(2) **EFFECTIVE DATE OF INSURANCE.**—Insurance evidenced by a certificate of insurance pursuant to subsection (a)(1) shall become effective upon the date of issuance of the certificate, except that the Secretary is authorized, in accordance with regulations, to issue commitments with respect to proposed loans, or with respect to lines (or proposed lines) of credit, submitted by eligible lenders, and in that event, upon compliance with subsection (a)(1) by the lender, the certificate of insurance may be issued effective as of the date when any loan, or any payment by the lender pursuant to a line of credit, to be covered by such insurance is made to a student described in section 705(a)(1). Such insurance shall cease to be effective upon 60 days' default by the lender in the payment of any installment of the premiums payable pursuant to section 708.

"(3) **CERTAIN AGREEMENTS FOR LENDERS.**—An application submitted pursuant to subsection (a)(1) shall contain—

"(A) an agreement by the applicant to pay, in accordance with regulations, the premiums fixed by the Secretary pursuant to section 708; and

"(B) an agreement by the applicant that if the loan is covered by insurance the applicant will submit such supplementary reports and statements during the effective period of the loan agreement, upon such forms, at such times, and containing such information as the Secretary may prescribe by or pursuant to regulation.

**"(b) AUTHORITY REGARDING COMPREHENSIVE INSURANCE COVERAGE.—**

"(1) **IN GENERAL.**—In lieu of requiring a separate insurance application and issuing a separate certificate of insurance for each loan made by an eligible lender as provided in subsection (a), the Secretary may, in accordance with regulations consistent with section 702, issue to any eligible lender applying therefor a certificate of comprehensive insurance coverage which shall, without further action by the Secretary, insure all insurable loans made by that lender, on or after the date of the certificate

and before a specified cutoff date, within the limits of an aggregate maximum amount stated in the certificate. Such regulations may provide for conditioning such insurance, with respect to any loan, upon compliance by the lender with such requirements (to be stated or incorporated by reference in the certificate) as in the Secretary's judgment will best achieve the purpose of this subsection while protecting the financial interest of the United States and promoting the objectives of this subpart, including (but not limited to) provisions as to the reporting of such loans and information relevant thereto to the Secretary and as to the payment of initial and other premiums and the effect of default therein, and including provision for confirmation by the Secretary from time to time (through endorsement of the certificate) of the coverage of specific new loans by such certificate, which confirmation shall be incontestable by the Secretary in the absence of fraud or misrepresentation of fact or patent error.

"(2) LINES OF CREDIT BEYOND CUTOFF DATE.—If the holder of a certificate of comprehensive insurance coverage issued under this subsection grants to a borrower a line of credit extending beyond the cutoff date specified in that certificate, loans or payments thereon made by the holder after that date pursuant to the line of credit shall not be deemed to be included in the coverage of that certificate except as may be specifically provided therein; but, subject to the limitations of section 702, the Secretary may, in accordance with regulations, make commitments to insure such future loans or payments, and such commitments may be honored either as provided in subsection (a) or by inclusion of such insurance in comprehensive coverage under this subsection for the period or periods in which such future loans or payments are made.

"(c) ASSIGNMENT OF INSURANCE RIGHTS.—The rights of an eligible lender arising under insurance evidenced by a certificate of insurance issued to it under this section may be assigned by such lender, subject to regulation by the Secretary, only to—

"(1) another eligible lender (including a public entity in the business of purchasing student loans); or

"(2) the Student Loan Marketing Association.

"(d) EFFECT OF CONSOLIDATION OF OBLIGATIONS.—The consolidation of the obligations of two or more federally insured loans obtained by a borrower in any fiscal year into a single obligation evidenced by a single instrument of indebtedness shall not affect the insurance by the United States. If the loans thus consolidated are covered by separate certificates of insurance issued under subsection (a), the Secretary may upon surrender of the original certificates issue a new certificate of insurance in accordance with that subsection upon the consolidated obligation. If the loans thus consolidated are covered by a single comprehensive certificate issued under subsection (b), the Secretary may amend that certificate accordingly.

"(e) RULE OF CONSTRUCTION REGARDING CONSOLIDATION OF DEBTS.—Nothing in this section shall be construed to preclude the lender and the borrower, by mutual agreement, from consolidating all of the borrower's debts into a single instrument under the terms applicable to an insured loan made at the same time as the consoli-

dation. The lender or loan holder should provide full information to the borrower concerning the advantages and disadvantages of loan consolidation. Nothing in this section shall be construed to preclude the consolidation of the borrower's loans insured under this subpart under section 428C of the Higher Education Act of 1965. Any loans insured pursuant to this subpart that are consolidated under section 428C of such Act shall not be eligible for special allowance payments under section 438 of such Act.

**"SEC. 707. DEFAULT OF BORROWER.**

**"(a) CONDITIONS FOR PAYMENT TO BENEFICIARY.**—Upon default by the borrower on any loan covered by Federal loan insurance pursuant to this subpart, and after a substantial collection effort (including, subject to subsection (h), commencement and prosecution of an action) as determined under regulations of the Secretary, the insurance beneficiary shall promptly notify the Secretary and the Secretary shall, if requested (at that time or after further collection efforts) by the beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary the amount of the loss sustained by the insured upon that loan as soon as that amount has been determined. Not later than one year after the date of the enactment of the Health Professions Education Extension Amendments of 1992, the Secretary shall establish performance standards for lenders and holders of loans under this subpart, including fees to be imposed for failing to meet such standards.

**"(b) SUBROGATION.**—Upon payment by the Secretary of the amount of the loss pursuant to subsection (a), the United States shall be subrogated for all of the rights of the holder of the obligation upon the insured loan and shall be entitled to an assignment of the note or other evidence of the insured loan by the insurance beneficiary. If the net recovery made by the Secretary on a loan after deduction of the cost of that recovery (including reasonable administrative costs) exceeds the amount of the loss, the excess shall be paid over to the insured. The Secretary may sell without recourse to eligible lenders (or other entities that the Secretary determines are capable of dealing in such loans) notes or other evidence of loans received through assignment under the first sentence.

**"(c) FORBEARANCE.**—Nothing in this section or in this subpart shall be construed to preclude any forbearance for the benefit of the borrower which may be agreed upon by the parties to the insured loan and approved by the Secretary or to preclude forbearance by the Secretary in the enforcement of the insured obligation after payment on that insurance.

**"(d) REASONABLE CARE AND DILIGENCE REGARDING LOANS.**—Nothing in this section or in this subpart shall be construed to excuse the eligible lender or holder of a federally insured loan from exercising reasonable care and diligence in the making of loans under the provisions of this subpart and from exercising a substantial effort in the collection of loans under the provisions of this subpart. If the Secretary, after reasonable notice and opportunity for hearing to an eligible lender, finds that the lender has failed to exercise such care and diligence, to exercise such substantial efforts, to make the reports and statements required under section 706(a)(3), or to pay the required Federal loan insurance premiums, he shall dis-



qualify that lender from obtaining further Federal insurance on loans granted pursuant to this subpart until he is satisfied that its failure has ceased and finds that there is reasonable assurance that the lender will in the future exercise necessary care and diligence, exercise substantial effort, or comply with such requirements, as the case may be.

"(e) **DEFINITIONS.**—For purposes of this section:

"(1) The term 'insurance beneficiary' means the insured or its authorized assignee in accordance with section 706(c).

"(2) The term 'amount of the loss' means, with respect to a loan, unpaid balance of the principal amount and interest on such loan, less the amount of any judgment collected pursuant to default proceedings commenced by the eligible lender or holder involved.

"(3) The term 'default' includes only such defaults as have existed for 120 days.

"(f) **REDUCTIONS IN FEDERAL REIMBURSEMENTS OR PAYMENTS FOR DEFAULTING BORROWERS.**—The Secretary shall, after notice and opportunity for a hearing, cause to be reduced Federal reimbursements or payments for health services under any Federal law to borrowers who are practicing their professions and have defaulted on their loans insured under this subpart in amounts up to the remaining balance of such loans. Procedures for reduction of payments under the medicare program are provided under section 1892 of the Social Security Act. Notwithstanding such section 1892, any funds recovered under this subsection shall be deposited in the insurance fund established under section 710.

"(g) **CONDITIONS FOR DISCHARGE OF DEBT IN BANKRUPTCY.**—A debt which is a loan insured under the authority of this subpart may be released by a discharge in bankruptcy under any chapter of title 11, United States Code, only if such discharge is granted—

"(1) after the expiration of the five-year period beginning on the first date, as specified in subparagraphs (B) and (C) of section 705(a)(2), when repayment of such loan is required;

"(2) upon a finding by the Bankruptcy Court that the non-discharge of such debt would be unconscionable; and

"(3) upon the condition that the Secretary shall not have waived the Secretary's rights to apply subsection (f) to the borrower and the discharged debt.

"(h) **REQUIREMENT REGARDING ACTIONS FOR DEFAULT.**—

"(1) **IN GENERAL.**—With respect to the default by a borrower on any loan covered by Federal loan insurance under this subpart, the Secretary shall, under subsection (a), require an eligible lender or holder to commence and prosecute an action for such default unless—

"(A) in the determination of the Secretary—

"(i) the eligible lender or holder has made reasonable efforts to serve process on the borrower involved and has been unsuccessful with respect to such efforts, or

"(ii) prosecution of such an action would be fruitless because of the financial or other circumstances of the borrower;



"(B) for such loans made before the date of the enactment of the Health Professions Reauthorization Act of 1988, the loan involved was made in an amount of less than \$5,000; or

"(C) for such loans made after such date, the loan involved was made in an amount of less than \$2,500.

"(2) **RELATIONSHIP TO CLAIM FOR PAYMENT.**—With respect to an eligible lender or holder that has commenced an action pursuant to subsection (a), the Secretary shall make the payment required in such subsection, or deny the claim for such payment, not later than 60 days after the date on which the Secretary determines that the lender or holder has made reasonable efforts to secure a judgment and collect on the judgment entered into pursuant to this subsection.

"(3) **STATE COURT JUDGMENTS.**—With respect to any State court judgment that is obtained by a lender or holder against a borrower for default on a loan insured under this subpart and that is subrogated to the United States under subsection (b), any United States attorney may register such judgment with the Federal courts for enforcement.

"(i) **INAPPLICABILITY OF FEDERAL AND STATE STATUTE OF LIMITATIONS ON ACTIONS FOR LOAN COLLECTION.**—Notwithstanding any other provision of Federal or State law, there shall be no limitation on the period within which suit may be filed, a judgment may be enforced, or an offset, garnishment, or other action may be initiated or taken by the Secretary, the Attorney General, or other administrative head of another Federal agency, as the case may be, for the repayment of the amount due from a borrower on a loan made under this subpart that has been assigned to the Secretary under subsection (b).

**"SEC. 708. RISK-BASED PREMIUMS.**

"(a) **AUTHORITY.**—With respect to a loan made under this subpart on or after January 1, 1993, the Secretary, in accordance with subsection (b), shall assess a risk-based premium on an eligible borrower and, if required under this section, an eligible institution that is based on the default rate of the eligible institution involved (as defined in section 719).

"(b) **ASSESSMENT OF PREMIUM.**—Except as provided in subsection (d)(2), the risk-based premium to be assessed under subsection (a) shall be as follows:

"(1) **LOW-RISK RATE.**—With respect to an eligible borrower seeking to obtain a loan for attendance at an eligible institution that has a default rate of not to exceed five percent, such borrower shall be assessed a risk-based premium in an amount equal to 6 percent of the principal amount of the loan.

"(2) **MEDIUM-RISK RATE.**—

"(A) **IN GENERAL.**—With respect to an eligible borrower seeking to obtain a loan for attendance at an eligible institution that has a default rate of in excess of five percent but not to exceed 10 percent—

"(i) such borrower shall be assessed a risk-based premium in an amount equal to 8 percent of the principal amount of the loan; and

"(ii) such institution shall be assessed a risk-based premium in an amount equal to 5 percent of the principal amount of the loan.

"(B) **DEFAULT MANAGEMENT PLAN.**—An institution of the type described in subparagraph (A) shall prepare and submit to the Secretary for approval, an annual default management plan, that shall specify the detailed short-term and long-term procedures that such institution will have in place to minimize defaults on loans to borrowers under this subpart. Under such plan the institution shall, among other measures, provide an exit interview to all borrowers that includes information concerning repayment schedules, loan deferments, forbearance, and the consequences of default.

"(3) **HIGH-RISK RATE.**—

"(A) **IN GENERAL.**—With respect to an eligible borrower seeking to obtain a loan for attendance at an eligible institution that has a default rate of in excess of 10 percent but not to exceed 20 percent—

"(i) such borrower shall be assessed a risk-based premium in an amount equal to 8 percent of the principal amount of the loan; and

"(ii) such institution shall be assessed a risk-based premium in an amount equal to 10 percent of the principal amount of the loan.

"(B) **DEFAULT MANAGEMENT PLAN.**—An institution of the type described in subparagraph (A) shall prepare and submit to the Secretary for approval a plan that meets the requirements of paragraph (2)(B).

"(4) **INELIGIBILITY.**—An individual shall not be eligible to obtain a loan under this subpart for attendance at an institution that has a default rate in excess of 20 percent.

"(c) **REDUCTION OF RISK-BASED PREMIUM.**—Lenders shall reduce by 50 percent the risk-based premium to eligible borrowers if a credit worthy parent or other responsible party co-signs the loan note.

"(d) **ADMINISTRATIVE WAIVERS.**—

"(1) **HEARING.**—The Secretary shall afford an institution not less than one hearing, and may consider mitigating circumstances, prior to making such institution ineligible for participation in the program under this subpart.

"(2) **EXCEPTIONS.**—In carrying out this section with respect to an institution, the Secretary may grant an institution a waiver of requirements of paragraphs (2) through (4) of subsection (b) if the Secretary determines that the default rate for such institution is not an accurate indicator because the volume of the loans under this subpart made by such institution has been insufficient.

"(3) **TRANSITION FOR CERTAIN INSTITUTIONS.**—During the 3-year period beginning on the effective date of the Health Professions Education Extension Amendments of 1992—

"(A) subsection (b)(4) shall not apply with respect to any eligible institution that is a Historically Black College or University; and

"(B) any such institution that has a default rate in excess of 20 percent, and any eligible borrower seeking a loan for attendance at the institution, shall be subject to subsection (b)(3) to the same extent and in the same manner as eligible institutions and borrowers described in such subsection.

"(e) **PAYOFF TO REDUCE RISK CATEGORY.**—An institution may pay off the outstanding principal and interest owed by the borrowers of such institution who have defaulted on loans made under this subpart in order to reduce the risk category of the institution.

**"SEC. 709. OFFICE FOR HEALTH EDUCATION ASSISTANCE LOAN DEFAULT REDUCTION.**

"(a) **ESTABLISHMENT.**—The Secretary shall establish, within the Division of Student Assistance of the Bureau of Health Professions, an office to be known as the Office for Health Education Assistance Loan Default Reduction (in this section referred to as the 'Office').

"(b) **PURPOSE AND FUNCTIONS.**—It shall be the purpose of the Office to achieve a reduction in the number and amounts of defaults on loans guaranteed under this subpart. In carrying out such purpose the Office shall—

"(1) conduct analytical and evaluative studies concerning loans and loan defaults;

"(2) carry out activities designed to reduce loan defaults;

"(3) respond to special circumstances that may exist in the financial lending environment that may lead to loan defaults;

"(4) coordinate with other Federal entities that are involved with student loan programs, including—

"(A) with respect to the Department of Education, in the development of a single student loan application form, a single student loan deferment form, a single disability form, and a central student loan database; and

"(B) with respect to the Department of Justice, in the recovery of payments from health professionals who have defaulted on loans guaranteed under this subpart;

"(5) provide technical assistance to borrowers, lenders, holders, and institutions concerning deferments and collection activities; and

"(6) prepare and submit a report not later than March 31, 1993, and annually, thereafter, to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives concerning—

"(A) the default rates for each—

"(i) institution described in section 719(1) that is participating in the loan programs under this subpart;

"(ii) lender participating in the loan program under this subpart; and

"(iii) loan holder under this subpart;

"(B) the total amounts recovered pursuant to section 707(b) during the preceding fiscal year; and

"(C) a plan for improving the extent of such recoveries during the current fiscal year.

"(c) **ADDITIONAL DUTIES.**—In conjunction with the report submitted under subsection (b), the Office shall—

"(1) compile, and publish in the Federal Register, a list of the borrowers who are in default under this subpart; and

"(2) send the report and notices of default with respect to these borrowers to relevant Federal agencies and to schools, school associations, professional and specialty associations, State licensing boards, hospitals with which such borrowers may be associated, and any other relevant organizations.

"(d) **ALLOCATION OF FUNDS FOR OFFICE.**—In the case of amounts reserved under section 710(a)(2)(B) for obligation under this subsection, the Secretary may obligate the amounts for the purpose of administering the Office, including 7 full-time equivalent employment positions for such Office. With respect to such purpose, amounts made available under the preceding sentence are in addition to amounts made available to the Health Resources and Services Administration for program management for the fiscal year involved. With respect to such employment positions, the positions are in addition to the number of full-time equivalent employment positions that otherwise is authorized for the Department of Health and Human Services for the fiscal year involved.

**"SEC. 710. INSURANCE ACCOUNT.**

**"(a) IN GENERAL.**—

"(1) **ESTABLISHMENT.**—There is hereby established a student loan insurance account (in this section referred to as the 'Account') which shall be available without fiscal year limitation to the Secretary for making payments in connection with the collection and default of loans insured under this subpart by the Secretary.

**"(2) FUNDING.**—

"(A) Except as provided in subparagraph (B), all amounts received by the Secretary as premium charges for insurance and as receipts, earnings, or proceeds derived from any claim or other assets acquired by the Secretary in connection with his operations under this subpart, and any other moneys, property, or assets derived by the Secretary from the operations of the Secretary in connection with this section, shall be deposited in the Account.

"(B) With respect to amounts described in subparagraph (A) that are received by the Secretary for any of the fiscal years 1993 through 1996, the Secretary may, before depositing such amounts in the Account, reserve from the amounts each such fiscal year not more than \$1,000,000 for obligation under section 709(d).

"(3) **EXPENDITURES.**—All payments in connection with the default of loans insured by the Secretary under this subpart shall be paid from the Account.

"(b) **CONTINGENT AUTHORITY FOR ISSUANCE OF NOTES OR OTHER OBLIGATIONS.**—If at any time the moneys in the Account are insufficient to make payments in connection with the collection or default of any loan insured by the Secretary under this subpart, the Secretary of the Treasury may lend the Account such amounts as may be necessary to make the payments involved, subject to the Federal Credit Reform Act of 1990.

**"SEC. 711. POWERS AND RESPONSIBILITIES OF SECRETARY.**

**"(a) IN GENERAL.**—In the performance of, and with respect to, the functions, powers, and duties vested in the Secretary by this subpart, the Secretary is authorized as follows:

**"(1)** To prescribe such regulations as may be necessary to carry out the purposes of this subpart.

**"(2)** To sue and be sued in any district court of the United States. Such district courts shall have jurisdiction of civil actions arising under this subpart without regard to the amount in controversy, and any action instituted under this subsection by or against the Secretary shall survive notwithstanding any change in the person occupying the office of Secretary or any vacancy in that office. No attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Secretary or property under the control of the Secretary. Nothing herein shall be constructed to except litigation arising out of activities under this subpart from the application of sections 517 and 547 of title 28 of the United States Code.

**"(3)** To include in any contract for Federal loan insurance such terms, conditions, and covenants relating to repayment of principal and payments of interest, relating to his obligations and rights and to those of eligible lenders, and borrowers in case of default, and relating to such other matters as the Secretary determines to be necessary to assure that the purposes of this subpart will be achieved. Any term, condition, and covenant made pursuant to this paragraph or any other provisions of this subpart may be modified by the Secretary if the Secretary determines that modification is necessary to protect the financial interest of the United States.

**"(4)** Subject to the specific limitations in the subpart, to consent to the modification of any note or other instrument evidencing a loan which has been insured by him under this subpart (including modifications with respect to the rate of interest, time of payment of any installment of principal and interest or any portion thereof, or any other provision).

**"(5)** To enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right or redemption.

**"(b) ANNUAL BUDGET; ACCOUNTS.**—The Secretary shall, with respect to the financial operations arising by reason of this subpart—

**"(1)** prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act; and

**"(2)** maintain with respect to insurance under this subpart an integral set of accounts.

**"SEC. 712. PARTICIPATION BY FEDERAL CREDIT UNIONS IN FEDERAL, STATE, AND PRIVATE STUDENT LOAN INSURANCE PROGRAMS.**

**"Notwithstanding any other provision of law, Federal credit unions shall, pursuant to regulations of the Administrator of the National Credit Union Administration, have power to make insured loans to eligible students in accordance with the provisions of this subpart relating to Federal insured loans.**



**"SEC. 713. DETERMINATION OF ELIGIBLE STUDENTS.**

*"For purposes of determining eligible students under this part, in the case of a public school in a State that offers an accelerated, integrated program of study combining undergraduate premedical education and medical education leading to advanced entry, by contractual agreement, into an accredited four-year school of medicine which provides the remaining training leading to a degree of doctor of medicine, whenever in this part a provision refers to a student at a school of medicine, such reference shall include only a student enrolled in any of the last four years of such accelerated, integrated program of study.*

**"SEC. 714. REPAYMENT BY SECRETARY OF LOANS OF DECEASED OR DISABLED BORROWERS.**

*"If a borrower who has received a loan dies or becomes permanently and totally disabled (as determined in accordance with regulations of the Secretary), the Secretary shall discharge the borrower's liability on the loan by repaying the amount owed on the loan from the account established under section 710.*

**"SEC. 715. ADDITIONAL REQUIREMENTS FOR INSTITUTIONS AND LENDERS.**

*"(a) IN GENERAL.—Notwithstanding any other provision of this subpart, the Secretary is authorized to prescribe such regulations as may be necessary to provide for—*

*"(1) a fiscal audit of an eligible institution with regard to any funds obtained from a borrower who has received a loan insured under this subpart;*

*"(2) the establishment of reasonable standards of financial responsibility and appropriate institutional capability for the administration by an eligible institution of a program of student financial aid with respect to funds obtained from a student who has received a loan insured under this subpart;*

*"(3) the limitation, suspension, or termination of the eligibility under this subpart of any otherwise eligible institution, whenever the Secretary has determined, after notice and affording an opportunity for hearing, that such institution has violated or failed to carry out any regulation prescribed under this subpart;*

*"(4) the collection of information from the borrower, lender, or eligible institution to assure compliance with the provisions of section 705;*

*"(5) the assessing of tuition or fees to borrowers in amounts that are the same or less than the amount of tuition and fees assessed to non-borrowers;*

*"(6) the submission, by the institution or the lender to the Office of Health Education Assistance Loan Default Reduction, of information concerning each loan made under this subpart, including the date when each such loan was originated, the date when each such loan is sold, the identity of the loan holder and information concerning a change in the borrower's status;*

*"(7) the withholding of services, including academic transcripts, financial aid transcripts, and alumni services, by an institution from a borrower upon the default of such borrower of*

a loan under this subpart, except in case of a borrower who has filed for bankruptcy; and

"(8) the offering, by the lender to the borrower, of a variety of repayment options, including fixed-rate, graduated repayment with negative amortization permitted, and income dependent payments for a limited period followed by level monthly payments.

"(b) **RECORDING BY INSTITUTION OF INFORMATION ON STUDENTS.**—The Secretary shall require an eligible institution to record, and make available to the lender and to the Secretary upon request, the name, address, postgraduate destination, and other reasonable identifying information for each student of such institution who has a loan insured under this subpart.

"(c) **WORKSHOP FOR STUDENT BORROWERS.**—Each participating eligible institution must have, at the beginning of each academic year, a workshop concerning the provisions of this subpart that all student borrowers shall be required to attend.

**"SEC. 719. DEFINITIONS.**

"For purposes of this subpart:

"(1) The term 'eligible institution' means, with respect to a fiscal year, a school of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, podiatric medicine, pharmacy, public health, allied health, or chiropractic, or a graduate program in health administration or clinical psychology.

"(2) The term 'eligible lender' means an eligible institution that became a lender under this subpart prior to September 15, 1992, an agency or instrumentality of a State, a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the United States or of any State, a pension fund approved by the Secretary for this purpose, or a nonprofit private entity designated by the State, regulated by the State, and approved by the Secretary.

"(3) The term 'line of credit' means an arrangement or agreement between the lender and the borrower whereby a loan is paid out by the lender to the borrower in annual installments, or whereby the lender agrees to make, in addition to the initial loan, additional loans in subsequent years.

"(4) The term 'school of allied health' means a program in a school of allied health (as defined in section 799) which leads to a masters' degree or a doctoral degree.

"(5)(A) The term 'default rate', in the case of an eligible entity, means the percentage constituted by the ratio of—

"(i) the principal amount of loans insured under this subpart—

"(I) that are made with respect to the entity and that enter repayment status after April 7, 1987; and

"(II) for which amounts have been paid under section 707(a) to insurance beneficiaries, exclusive of any loan for which amounts have been so paid as a result of the death or total and permanent disability of the borrower; exclusive of any loan for which the borrower begins payments to the Secretary on the loan pursuant

to section 707(b) and maintains payments for 12 consecutive months in accordance with the agreement involved (with the loan subsequently being included or excluded, as the case may be, as amounts paid under section 707(a) according to whether further defaults occur and whether with respect to the default involved compliance with such requirement regarding 12 consecutive months occurs); and exclusive of any loan on which payments may not be recovered by reason of the obligation under the loan being discharged in bankruptcy under title 11, United States Code; to

"(ii) the total principal amount of loans insured under this subpart that are made with respect to the entity and that enter repayment status after April 7, 1987.

"(B) For purposes of subparagraph (A), a loan insured under this subpart shall be considered to have entered repayment status if the applicable period described in subparagraph (B) of section 705(a)(2) regarding the loan has expired (without regard to whether an period described in subparagraph (C) of such section is applicable regarding the loan).

"(C) For purposes of subparagraph (A), the term 'eligible entity' means an eligible institution, an eligible lender, or a holder, as the case may be.

"(D) For purposes of subparagraph (A), a loan is made with respect to an eligible entity if—

"(i) in the case of an eligible institution, the loan was made to students of the institution;

"(ii) in the case of an eligible lender, the loan was made by the lender; and

"(iii) in the case of a holder, the loan was purchased by the holder.

#### **"SEC. 720. AUTHORIZATION OF APPROPRIATIONS.**

"(a) **IN GENERAL.**—For fiscal year 1993 and subsequent fiscal years, there are authorized to be appropriated such sums as may be necessary for the adequacy of the student loan insurance account under this subpart and for the purpose of administering this subpart.

"(b) **AVAILABILITY OF SUMS.**—Sums appropriated under subsection (a) shall remain available until expended.

### **"Subpart II—Federally-Supported Student Loan Funds**

#### **"SEC. 721. AGREEMENTS FOR OPERATION OF SCHOOL LOAN FUNDS.**

"(a) **FUND AGREEMENTS.**—The Secretary is authorized to enter into an agreement for the establishment and operation of a student loan fund in accordance with this subpart with any public or other nonprofit school of medicine, osteopathic medicine, dentistry, pharmacy, podiatric medicine, optometry, or veterinary medicine.

"(b) **REQUIREMENTS.**—Each agreement entered into under this section shall—

"(1) provide for establishment of a student loan fund by the school;

"(2) provide for deposit in the fund of—

"(A) the Federal capital contributions to the fund;

"(B) an amount equal to not less than one-ninth of such Federal capital contributions, contributed by such institution;

"(C) collections of principal and interest on loans made from the fund;

"(D) collections pursuant to section 722(j); and

"(E) any other earnings of the fund;

"(3) provide that the fund shall be used only for loans to students of the school in accordance with the agreement and for costs of collection of such loans and interest thereon;

"(4) provide that loans may be made from such funds only to students pursuing a full-time course of study at the school leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of pharmacy or an equivalent degree, doctor of podiatric medicine or an equivalent degree, doctor of optometry or an equivalent degree, or doctor of veterinary medicine or an equivalent degree;

"(5) provide that the school shall advise, in writing, each applicant for a loan from the student loan fund of the provisions of section 722 under which outstanding loans from the student loan fund may be paid (in whole or in part) by the Secretary; and

"(6) contain such other provisions as are necessary to protect the financial interests of the United States.

"(c) FAILURE OF SCHOOL TO COLLECT LOANS.—

"(1) IN GENERAL.—Any standard established by the Secretary by regulation for the collection by schools of medicine, osteopathic medicine, dentistry, pharmacy, podiatric medicine, optometry, or veterinary medicine of loans made pursuant to loan agreements under this subpart shall provide that the failure of any such school to collect such loans shall be measured in accordance with this subsection. This subsection may not be construed to require such schools to reimburse the student loan fund under this subpart for loans that became uncollectible prior to August 1985 or to penalize such schools with respect to such loans.

"(2) EXTENT OF FAILURE.—The measurement of a school's failure to collect loans made under this subpart shall be the ratio (stated as a percentage) that the defaulted principal amount outstanding of such school bears to the matured loans of such school.

"(3) DEFINITIONS.—For purposes of this subsection:

"(A) The term 'default' means the failure of a borrower of a loan made under this subpart to—

"(i) make an installment payment when due; or

"(ii) comply with any other term of the promissory note for such loan,

except that a loan made under this subpart shall not be considered to be in default if the loan is discharged in bankruptcy or if the school reasonably concludes from written contracts with the borrower that the borrower intends to repay the loan.

"(B) The term 'defaulted principal amount outstanding' means the total amount borrowed from the loan fund of a school that has reached the repayment stage (minus any principal amount repaid or canceled) on loans—

"(i) repayable monthly and in default for at least 120 days; and

"(ii) repayable less frequently than monthly and in default for at least 180 days;

"(C) The term 'grace period' means the period of one year beginning on the date on which the borrower ceases to pursue a full-time course of study at a school of medicine, osteopathic medicine, dentistry, pharmacy, podiatric medicine, optometry, or veterinary medicine; and

"(D) The term 'matured loans' means the total principal amount of all loans made by a school under this subpart minus the total principal amount of loans made by such school to students who are—

"(i) enrolled in a full-time course of study at such school; or

"(ii) in their grace period.

#### "SEC. 722. LOAN PROVISIONS.

"(a) **LIMITATION ON AMOUNT.**—Loans from a student loan fund (established under an agreement with a school under section 721) may not exceed for any student for each school year (or its equivalent) the sum of—

"(1) the cost of tuition for such year at such school, and

"(2) \$2,500.

"(b) **TERMS AND CONDITIONS.**—Subject to section 723, any such loans shall be made on such terms and conditions as the school may determine, but may be made only to a student—

"(1) who is in need of the amount thereof to pursue a full-time course of study at the school leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of pharmacy or an equivalent degree, doctor of podiatric medicine or an equivalent degree, doctor of optometry or an equivalent degree, or doctor of veterinary medicine or an equivalent degree;

"(2) who, if pursuing a full-time course of study at the school leading to a degree of doctor of medicine or doctor of osteopathy, is of exceptional financial need (as defined by regulations of the Secretary); and

"(3) who, if required under section 3 of the Military Selective Service Act to present himself for and submit to registration under such section, has presented himself and submitted to registration under such section.

"(c) **REPAYMENT; EXCLUSIONS FROM TEN-YEAR PERIOD.**—Such loans shall be repayable in equal or graduated periodic installments (with the right of the borrower to accelerate repayment) over the ten-year period which begins one year after the student ceases to pursue a full-time course of study at a school of medicine, osteopathic medicine, dentistry, pharmacy, podiatry, optometry, or veterinary medicine, excluding from such ten-year period—



"(1) all periods—

"(A) not in excess of three years of active duty performed by the borrower as a member of a uniformed service;

"(B) not in excess of three years during which the borrower serves as a volunteer under the Peace Corps Act;

"(C) during which the borrower participates in advanced professional training, including internships and residencies; and

"(D) during which the borrower is pursuing a full-time course of study at such a school; and

"(2) a period—

"(A) not in excess of two years during which a borrower who is a full-time student in such a school leaves the school, with the intent to return to such school as a full-time student, in order to engage in a full-time educational activity which is directly related to the health profession for which the borrower is preparing, as determined by the Secretary; or

"(B) not in excess of two years during which a borrower who is a graduate of such a school is a participant in a fellowship training program or a full-time educational activity which—

"(i) is directly related to the health profession for which such borrower prepared at such school, as determined by the Secretary; and

"(ii) may be engaged in by the borrower during such a two-year period which begins within twelve months after the completion of the borrower's participation in advanced professional training described in paragraph (1)(C) or prior to the completion of such borrower's participation in such training.

"(d) **CANCELLATION OF LIABILITY.**—The liability to repay the unpaid balance of such a loan and accrued interest thereon shall be canceled upon the death of the borrower, or if the Secretary determines that he has become permanently, and totally disabled.

"(e) **RATE OF INTEREST.**—Such loans shall bear interest, on the unpaid balance of the loan, computed only for periods for which the loan is repayable, at the rate of 5 percent per year.

"(f) **SECURITY OR ENDORSEMENT.**—Loans shall be made under this subpart without security or endorsement, except that if the borrower is a minor and the note or other evidence of obligation executed by him would not, under the applicable law, create a binding obligation, either security or endorsement may be required.

"(g) **TRANSFERRING AND ASSIGNING LOANS.**—No note or other evidence of a loan made under this subpart may be transferred or assigned by the school making the loan except that, if the borrowers transfer to another school participating in the program under this subpart, such note or other evidence of a loan may be transferred to such other school.

"(h) **CHARGE WITH RESPECT TO INSURANCE FOR CERTAIN CANCELLATIONS.**—Subject to regulations of the Secretary, a school may assess a charge with respect to loans made under this subpart to cover the costs of insuring against cancellation of liability under subsection (d).

"(i) **CHARGE WITH RESPECT TO LATE PAYMENTS.**—Subject to regulations of the Secretary, and in accordance with this section, a school shall assess a charge with respect to a loan made under this subpart for failure of the borrower to pay all or any part of an installment when it is due and, in the case of a borrower who is entitled to deferment of the loan under subsection (c), for any failure to file timely and satisfactory evidence of such entitlement. No such charge may be made if the payment of such installment or the filing of such evidence is made within 60 days after the date on which such installment or filing is due. The amount of any such charge may not exceed an amount equal to 6 percent of the amount of such installment. The school may elect to add the amount of any such charge to the principal amount of the loan as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the school not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge.

"(j) **AUTHORITY OF SCHOOLS REGARDING RATE OF PAYMENT.**—A school may provide, in accordance with regulations of the Secretary, that during the repayment period of a loan from a loan fund established pursuant to an agreement under this subpart payments of principal and interest by the borrower with respect to all the outstanding loans made to him from loan funds so established shall be at a rate equal to not less than \$15 per month.

"(k) **AUTHORITY REGARDING REPAYMENTS BY SECRETARY.**—Upon application by a person who received, and is under an obligation to repay, any loan made to such person as a health professions student to enable him to study medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, or podiatry, the Secretary may undertake to repay (without liability to the applicant) all or any part of such loan, and any interest or portion thereof outstanding thereon, upon his determination, pursuant to regulations establishing criteria therefor, that the applicant—

"(1) failed to complete such studies leading to his first professional degree;

"(2) is in exceptionally needy circumstances;

"(3) is from a low-income or disadvantaged family as those terms may be defined by such regulations; and

"(4) has not resumed, or cannot reasonably be expected to resume, the study of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, or podiatric medicine, within two years following the date upon which he terminated such studies.

"(l) **COLLECTION EFFORTS BY SECRETARY.**—The Secretary is authorized to attempt to collect any loan which was made under this subpart, which is in default, and which was referred to the Secretary by a school with which the Secretary has an agreement under this subpart, on behalf of that school under such terms and conditions as the Secretary may prescribe (including reimbursement from the school's student loan fund for expenses the Secretary may reasonably incur in attempting collection), but only if the school has complied with such requirements as the Secretary may specify by regulation with respect to the collection of loans under this subpart. A loan so referred shall be treated as a debt subject to section 5514

of title 5, United States Code. Amounts collected shall be deposited in the school's student loan fund. Whenever the Secretary desires the institution of a civil action regarding any such loan, the Secretary shall refer the matter to the Attorney General for appropriate action.

**"SEC. 723. MEDICAL SCHOOLS AND PRIMARY HEALTH CARE.**

**"(a) REQUIREMENTS FOR STUDENTS.—**

**"(1) IN GENERAL.—**Subject to the provisions of this subsection, in the case of student loan funds established under section 721 by schools of medicine or osteopathic medicine, each agreement entered into under such section with such a school shall provide (in addition to the provisions required in subsection (b) of such section) that the school will make a loan from such fund to a student only if the student agrees—

**"(A)** to enter and complete a residency training program in primary health care not later than 4 years after the date on which the student graduates from such school; and

**"(B)** to practice in such care through the date on which the loan is repaid in full.

**"(2) INAPPLICABILITY TO CERTAIN STUDENTS.—**

**"(A)** The requirement established in paragraph (1) regarding the student loan fund of a school does not apply to a student if—

**"(i)** the first loan to the student from such fund is made before July 1, 1993; or

**"(ii)** the loan is made from—

**"(I)** a Federal capital contribution under section 721 that is made from amounts appropriated under section 724(f) (in this section referred to as an 'exempt Federal capital contribution'); or

**"(II)** a school contribution made under section 721 pursuant to such a Federal capital contribution (in this section referred to as an 'exempt school contribution').

**"(B)** A Federal capital contribution under section 721 may not be construed as being an exempt Federal capital contribution if the contribution was made from amounts appropriated before October 1, 1990. A school contribution under section 721 may not be construed as being an exempt school contribution if the contribution was made pursuant to a Federal capital contribution under such section that was made from amounts appropriated before such date.

**"(3) NONCOMPLIANCE BY STUDENT.—**Each agreement entered into with a student pursuant to paragraph (1) shall provide that, if the student fails to comply with the agreement—

**"(A)** the balance due on the loan involved will be immediately recomputed from the date of issuance at an interest rate of 12 percent per year, compounded annually; and

**"(B)** the recomputed balance will be paid not later than the expiration of the 3-year period beginning on the date on which the student fails to comply with the agreement.

**"(b) REQUIREMENTS FOR SCHOOLS.—**

**"(1) IN GENERAL.—**Subject to the provisions of this subsection, in the case of student loan funds established under section 721 by schools of medicine or osteopathic medicine, each agreement entered into under such section with such a school shall provide (in addition to the provisions required in subsection (b) of such section) that, for the 1-year period ending on June 30, 1994, and for the 1-year period ending on June 30 of each subsequent fiscal year, the school will meet not less than 1 of the conditions described in paragraph (2) with respect to graduates of the school whose date of graduation from the school occurred approximately 4 years before the end of the 1-year period involved.

**"(2) DESCRIPTION OF CONDITIONS.—**With respect to graduates described in paragraph (1) (in this paragraph referred to as 'designated graduates'), the conditions referred to in such paragraph for a school for a 1-year period are as follows:

**"(A)** Not less than 50 percent of designated graduates of the school meet the criterion of either being in a residency training program in primary health care, or being engaged in a practice in such care (having completed such a program).

**"(B)** Not less than 15 percent of the designated graduates of the school meet such criterion, and such percentage is not less than 5 percentage points above the percentage of such graduates meeting such criterion for the preceding 1-year period.

**"(C)** In the case of schools of medicine or osteopathic medicine with student loans funds under section 721, the school involved is at or above the 75th percentile of such schools whose designated graduates meet such criterion.

**"(3) DETERMINATIONS BY SECRETARY.—**Not later than 90 days after the close of each 1-year period described in paragraph (1), the Secretary shall make a determination of whether the school involved has for such period complied with such paragraph and shall in writing inform the school of the determination. Such determination shall be made only after consideration of the report submitted to the Secretary by the school under paragraph (6).

**"(4) NONCOMPLIANCE BY SCHOOL.—**

**"(A)(i)** Subject to subparagraph (C), each agreement under section 721 with a school of medicine or osteopathic medicine shall provide that, if the school fails to comply with paragraph (1) for a 1-year period under such paragraph, the school—

**"(I)** will pay to the Secretary the amount applicable under subparagraph (B) for the period; and

**"(II)** will pay such amount not later than 90 days after the school is informed under paragraph (3) of the determination of the Secretary regarding such period.

"(ii) Any amount that a school is required to pay under clause (i) may be paid from the student loan fund of the school under section 721.

"(B) For purposes of subparagraph (A), the amount applicable for a school, subject to subparagraph (C), is—

"(i) for the 1-year period ending June 30, 1994, an amount equal to 10 percent of the income received during such period by the student loan fund of the school under section 721;

"(ii) for the 1-year period ending June 30, 1995, an amount equal to 20 percent of the income received during such period by the student loan fund; and

"(iii) for any subsequent 1-year period under paragraph (1), an amount equal to 30 percent of the income received during such period by the student loan fund.

"(C) In determining the amount of income that a student loan fund has received for purposes of subparagraph (B), the Secretary shall exclude any income derived from exempt contributions. Payments made to the Secretary under subparagraph (A) may not be made with such contributions or with income derived from such contributions.

"(5) EXPENDITURE OF PAYMENTS.—

"(A) Amounts paid to the Secretary under paragraph (4) shall be expended to make Federal capital contributions to student loan funds under section 721 of schools that are in compliance with paragraph (1).

"(B) A Federal capital contribution under section 721 may not be construed as being an exempt Federal capital contribution if the contribution is made from payments under subparagraph (A). A school contribution under such section may not be construed as being an exempt school contribution if the contribution is made pursuant to a Federal capital contribution from such payments.

"(6) REPORTS BY SCHOOLS.—Each agreement under section 721 with a school of medicine or osteopathic medicine shall provide that the school will submit to the Secretary a report for each 1-year period under paragraph (1) that provides such information as the Secretary determines to be necessary for carrying out this subsection. Each such report shall include statistics concerning the current training or practice status of all graduates of such school whose date of graduation from the school occurred approximately 4 years before the end of the 1-year period involved.

"(c) REPORTS BY SECRETARY.—The Secretary shall each fiscal year submit to the Committee on Energy and Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report regarding the administration of this section, including the extent of compliance with the requirements of this section, during the preceding fiscal year.

"(d) DEFINITIONS.—For purposes of this section:

"(1) The term 'exempt contributions' means exempt Federal capital contributions and exempt school contributions.



"(2) The term 'exempt Federal capital contribution' means a Federal capital contribution described in subclause (I) of subsection (a)(2)(A)(ii).

"(3) The term 'exempt school contribution' means a school contribution described in subclause (II) of subsection (a)(2)(A)(ii).

"(4) The term 'income', with respect to a student fund under section 721, means payments of principal and interest on any loan made from the fund, and any other earnings of the fund.

"(5) The term 'primary health care' means family medicine, general internal medicine, general pediatrics, preventive medicine, or osteopathic general practice.

#### SEC. 724. INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.

"(a) **FUND AGREEMENTS REGARDING CERTAIN AMOUNTS.**—With respect to amounts appropriated under subsection (f), each agreement entered into under section 721 with a school shall provide (in addition to the provisions required in subsection (b) of such section) that—

"(1) any Federal capital contribution made to the student loan fund of the school from such amounts, together with the school contribution appropriate under subsection (b)(2)(B) of such section to the amount of the Federal capital contribution, will be utilized only for the purpose of—

"(A) making loans to individuals from disadvantaged backgrounds; and

"(B) the costs of the collection of the loans and interest on the loans; and

"(2) collections of principal and interest on loans made pursuant to paragraph (1), and any other earnings of the student loan fund attributable to amounts that are in the fund pursuant to such paragraph, will be utilized only for the purpose described in such paragraph.

"(b) **MINIMUM QUALIFICATIONS FOR SCHOOLS.**—The Secretary may not make a Federal capital contribution for purposes of subsection (a) for a fiscal year unless the health professions school involved—

"(1) is carrying out a program for recruiting and retaining students from disadvantaged backgrounds, including racial and ethnic minorities; and

"(2) is carrying out a program for recruiting and retaining minority faculty.

"(c) **CERTAIN AGREEMENTS REGARDING EDUCATION OF STUDENTS; DATE CERTAIN FOR COMPLIANCE.**—The Secretary may not make a Federal capital contribution for purposes of subsection (a) for a fiscal year unless the health professions school involved agrees—

"(1) to ensure that adequate instruction regarding minority health issues is provided for in the curricula of the school;

"(2) with respect to health clinics providing services to a significant number of individuals who are from disadvantaged backgrounds, including members of minority groups, to enter into arrangements with 1 or more such clinics for the purpose of

providing students of the school with experience in providing clinical services to such individuals;

"(3) with respect to public or nonprofit private secondary educational institutions and undergraduate institutions of higher education, to enter into arrangements with 1 or more such institutions for the purpose of carrying out programs regarding the educational preparation of disadvantaged students, including minority students, to enter the health professions and regarding the recruitment of such individuals into the health professions;

"(4) to establish a mentor program for assisting disadvantaged students, including minority students, regarding the completion of the educational requirements for degrees from the school;

"(5) to be carrying out each of the activities specified in any of paragraphs (1) through (4) by not later than 1 year after the date on which the first Federal capital contribution is made to the school for purposes of subsection (a); and

"(6) to continue carrying out such activities, and the activities specified in paragraphs (1) and (2) of subsection (b), throughout the period during which the student loan fund established pursuant to section 721(b) is in operation.

"(d) **AVAILABILITY OF OTHER AMOUNTS.**—With respect to Federal capital contributions to student loan funds under agreements under section 721(b), any such contributions made before October 1, 1990, together with the school contributions appropriate under paragraph (2)(B) of such section to the amount of the Federal capital contributions, may be utilized for the purpose of making loans to individuals from disadvantaged backgrounds, subject to section 723(a)(2)(B).

"(e) **DEFINITION.**—For purposes of this section, the term 'disadvantaged', with respect to an individual, shall be defined by the Secretary.

"(f) **AUTHORIZATION OF APPROPRIATIONS.**—

"(1) **IN GENERAL.**—With respect to making Federal capital contributions to student loan funds for purposes of subsection (a), there is authorized to be appropriated for such contributions \$15,000,000 for fiscal year 1993.

"(2) **SPECIAL CONSIDERATION FOR CERTAIN SCHOOLS.**—In making Federal capital contributions to student loan funds for purposes of subsection (a), the Secretary shall give special consideration to health professions schools that have enrollments of underrepresented minorities above the national average for health professions schools.

#### "SEC. 725. ADMINISTRATIVE PROVISIONS.

"The Secretary may agree to modifications of agreements or loans made under this subpart, and may compromise, waive, or release any right, title, claim, or demand of the United States arising or acquired under this subpart.

#### "SEC. 726. PROVISION BY SCHOOLS OF INFORMATION TO STUDENTS.

"(a) **IN GENERAL.**—With respect to loans made by a school under this subpart after June 30, 1986, each school, in order to carry out the provisions of sections 721 and 722, shall, at any time such

school makes such a loan to a student under this subpart, provide thorough and adequate loan information on loans made under this subpart to the student. The loan information required to be provided to the student by this subsection shall include—

"(1) the yearly and cumulative maximum amounts that may be borrowed by the student;

"(2) the terms under which repayment of the loan will begin;

"(3) the maximum number of years in which the loan must be repaid;

"(4) the interest rate that will be paid by the borrower and the minimum amount of the required monthly payment.

"(5) the amount of any other fees charged to the borrower by the lender;

"(6) any options the borrower may have for deferral, cancellation, prepayment, consolidation, or other refinancing of the loan;

"(7) a definition of default on the loan and a specification of the consequences which will result to the borrower if the borrower defaults, including a description of any arrangements which may be made with credit bureau organizations;

"(8) to the extent practicable, the effect of accepting the loan on the eligibility of the borrower for other forms of student assistance; and

"(9) a description of the actions that may be taken by the Federal Government to collect the loan, including a description of the type of information concerning the borrower that the Federal Government may disclose to (A) officers, employees, or agents of the Department of Health and Human Services, (B) officers, employees, or agents of schools with which the Secretary has an agreement under this subpart, or (C) any other person involved in the collection of a loan under this subpart.

"(b) **STATEMENT REGARDING LOAN.**—Each school shall, immediately prior to the graduation from such school of a student who receives a loan under this subpart after June 30, 1986, provide such student with a statement specifying—

"(1) each amount borrowed by the student under this subpart;

"(2) the total amount borrowed by the student under this subpart; and

"(3) a schedule for the repayment of the amounts borrowed under this subpart, including the number, amount, and frequency of payments to be made.

**"SEC. 727. PROCEDURES FOR APPEAL OF TERMINATION OF AGREEMENTS.**

"In any case in which the Secretary intends to terminate an agreement with a school under this subpart, the Secretary shall provide the school with a written notice specifying such intention and stating that the school may request a formal hearing with respect to such termination. If the school requests such a hearing within 30 days after the receipt of such notice, the Secretary shall provide such school with a hearing conducted by an administrative law judge.

**"SEC. 728. DISTRIBUTION OF ASSETS FROM LOAN FUNDS.**

**"(a) DISTRIBUTION AFTER TERMINATION OF FUND.**—If a school terminates a loan fund established under an agreement pursuant to section 721(b), or if the Secretary for good cause terminates the agreement with the school, there shall be a capital distribution as follows:

**"(1)** The Secretary shall first be paid an amount which bears the same ratio to such balance in such fund on the date of termination of the fund as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section 721(b)(2)(A) bears to the total amount in such fund derived from such Federal capital contributions and from funds deposited therein pursuant to section 721(b)(2)(B).

**"(2)** The remainder of such balance shall be paid to the school.

**"(b) PAYMENT OF PROPORTIONATE SHARE TO SECRETARY.**—If a capital distribution is made under subsection (a), the school involved shall, after the capital distribution, pay to the Secretary, not less often than quarterly, the same proportionate share of amounts received by the school in payment of principal or interest on loans made from the loan fund established pursuant to section 721(b) as was determined by the Secretary under subsection (a).

**"SEC. 735. GENERAL PROVISIONS.**

**"(a) DATE CERTAIN FOR APPLICATIONS.**—The Secretary shall from time to time set dates by which schools must file applications for Federal capital contributions.

**"(b) CONTINGENT REDUCTION IN ALLOTMENTS.**—If the total of the amounts requested for any fiscal year in such applications exceeds the amounts appropriated under this section for that fiscal year, the allotment to the loan fund of each such school shall be reduced to whichever of the following is the smaller: the amount requested in its application; or an amount which bears the same ratio to the amounts appropriated as the number of students estimated by the Secretary to be enrolled in such school during such fiscal year bears to the estimated total number of students in all such schools during such year. Amounts remaining after allotment under the preceding sentence shall be reallocated in accordance with clause (B) of such sentence among schools whose applications requested more than the amounts so allotted to their loan funds, but with such adjustments as may be necessary to prevent the total allotted to any such school's loan fund from exceeding the total so requested by it.

**"(c) ALLOTMENT OF EXCESS FUNDS.**—Funds available in any fiscal year for payment to schools under this subpart which are in excess of the amount appropriated pursuant to this section for that year shall be allotted among schools in such manner as the Secretary determines will best carry out the purposes of this subpart.

**"(d) PAYMENT OF INSTALLMENTS TO SCHOOLS.**—Allotments to a loan fund of a school shall be paid to it from time to time in such installments as the Secretary determines will not result in unnecessary accumulations in the loan fund at such school.

**"(e) DISPOSITION OF FUNDS RETURNED TO SECRETARY.**—

**"(1) EXPENDITURE FOR FEDERAL CAPITAL CONTRIBUTIONS.**—Subject to section 723(b)(5), any amounts from student loan

funds under section 721 that are returned to the Secretary by health professions schools shall be expended to make Federal capital contributions to such funds.

"(2) **DATE CERTAIN FOR CONTRIBUTIONS.**—Amounts described in paragraph (1) that are returned to the Secretary before the fourth quarter of a fiscal year shall be obligated before the end of such fiscal year, and may not be obligated before the fourth quarter. For purposes of the preceding sentence, amounts returned to the Secretary during the last quarter of a fiscal year are deemed to have been returned during the first three quarters of the succeeding fiscal year.

"(3) **PREFERENCE IN MAKING CONTRIBUTIONS.**—In making Federal capital contributions to student loans funds under section 721 for a fiscal year from amounts described in paragraph (1), the Secretary shall give preference to health professions schools of the same disciplines as the health professions schools returning such amounts for the period during which the amounts expended for such contributions were received by the Secretary. Any such amounts that, prior to being so returned, were available only for the purpose of loans under this subpart to individuals from disadvantaged backgrounds shall be available only for such purpose.

**"PART B—STUDENTS FROM DISADVANTAGED BACKGROUNDS**

**"SEC. 736. SCHOLARSHIPS FOR STUDENTS OF EXCEPTIONAL FINANCIAL NEED.**

"(a) **IN GENERAL.**—The Secretary shall make grants to public and nonprofit private schools of medicine, osteopathic medicine, and dentistry for scholarships to be awarded by the schools to full-time students thereof who are of exceptional financial need, subject to section 795 (relating to residency training and practice in primary health care).

"(b) **REQUIREMENTS REGARDING SCHOLARSHIPS.**—

"(1) **ACCEPTANCE FOR FULL-TIME ENROLLMENT.**—Scholarships may be awarded by a school from a grant under subsection (a) only to individuals who have been accepted by it for enrollment as full-time students.

"(2) **AUTHORIZED EXPENDITURES.**—A scholarship provided to a student for a school year under a grant under subsection (a) shall consist of payment to, or (in accordance with paragraph (4)) on behalf of, the student of an amount (except as provided in section 798(c)) equivalent to the amount of—

"(A) the tuition of the student in such school year; and

"(B) all other reasonable educational expenses, including fees, books, and laboratory expenses, incurred by the student in such year.

"(3) **AUTHORITY REGARDING PAYMENTS TO EDUCATIONAL INSTITUTION.**—The Secretary may contract with an educational institution in which is enrolled a student who has received a scholarship with a grant under subsection (a) for the payment to the educational institution of the amounts of tuition and other reasonable educational expenses described in paragraph (2). Payment to such an educational institution may be made without regard to section 3324 of title 31, United States Code.



"(c) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of making grants under this section, there is authorized to be appropriated \$11,000,000 for fiscal year 1993.

**"SEC. 737. SCHOLARSHIPS GENERALLY; CERTAIN OTHER PURPOSES.**

**"(a) ESTABLISHMENT OF PROGRAM.—**

"(1) **IN GENERAL.**—Subject to subsection (e), the Secretary may make grants to health professions schools for the purpose of assisting such schools in providing scholarships to individuals described in paragraph (2).

"(2) **ELIGIBLE INDIVIDUALS.**—The individuals referred to in paragraph (1) are individuals who—

"(A) are from disadvantaged backgrounds; and

"(B) are enrolled (or accepted for enrollment) as full-time students in such schools.

"(2) **HEALTH PROFESSIONS SCHOOLS.**—For purposes of this section, the term 'health professions schools' means schools of medicine, nursing (as schools of nursing are defined in section 853), osteopathic medicine, dentistry, pharmacy, podiatric medicine, optometry, veterinary medicine, public health, or allied health, or schools offering graduate programs in clinical psychology.

**"(b) MINIMUM QUALIFICATIONS OF GRANTEEES.**—The Secretary may not make a grant under subsection (a) unless the health professions school—

"(1) is carrying out a program for recruiting and retaining students from disadvantaged backgrounds, including racial and ethnic minorities; and

"(2) is carrying out a program for recruiting and retaining minority faculty.

**"(c) PREFERENCES IN PROVIDING SCHOLARSHIPS.**—The Secretary may not make a grant under subsection (a) unless the health professions school involved agrees that, in providing scholarships pursuant to the grant, the school will give preference to students—

"(1) who are from disadvantaged backgrounds; and

"(2) for whom the costs of attending the school would constitute a severe financial hardship.

**"(d) USE OF SCHOLARSHIP.**—A scholarship provided pursuant to subsection (a) for attendance at a health professions school—

"(1) may be expended only for tuition expenses, other reasonable educational expenses, and reasonable living expenses incurred in such attendance; and

"(2) may not, for any year of such attendance for which the scholarship is provided, provide an amount exceeding the total amount required for the year for the expenses specified in paragraph (1).

**"(e) PROVISIONS REGARDING PURPOSES OTHER THAN SCHOLARSHIPS.—**

"(1) **AUTHORITY REGARDING ASSISTANCE FOR UNDERGRADUATES.**—With respect to undergraduates who have demonstrated a commitment to pursuing a career in the health professions, a health professions school may expend not more than 25 percent of a grant under subsection (a) for the purpose of providing fi-

nancial assistance to such undergraduates in order to facilitate the completion of the educational requirements for such careers.

**"(2) REQUIRED ACTIVITIES OF SCHOOL.**—The Secretary may not make a grant under subsection (a) unless the health professions school involved agrees—

**"(A)** to ensure that adequate instruction regarding minority health issues is provided for in the curricula of the school;

**"(B)** with respect to health clinics providing services to a significant number of individuals who are from disadvantaged backgrounds, including members of minority groups, to enter into arrangements with 1 or more such clinics for the purpose of providing students of the school with experience in providing clinical services to such individuals;

**"(C)** with respect to public or nonprofit secondary educational institutions and undergraduate institutions of higher education, to enter into arrangements with 1 or more such institutions for the purpose of carrying out programs regarding the educational preparation of disadvantaged students, including minority students, to enter the health professions and regarding the recruitment of such students into the health professions;

**"(D)** to establish a mentor program for assisting disadvantaged students, including minority students, regarding the completion of the educational requirements for degrees from the school;

**"(E)** to be carrying out the activities specified in subparagraphs (A) through (D) by not later than 1 year after the date on which a grant under subsection (a) is first made to the school; and

**"(F)** to continue carrying out such activities, and the activities specified in paragraphs (1) and (2) of subsection (b), throughout the period during which the school is receiving a grant under subsection (a).

**"(3) RESTRICTIONS ON USE OF GRANT.**—The Secretary may not make a grant under subsection (a) for a fiscal year unless the health professions school involved agrees that the grant will not be expended to carry out the activities specified in paragraph (1) or (2) of subsection (b), or in any of subparagraphs (A) through (D) of paragraph (2) of this subsection.

**"(f) REQUIREMENT OF APPLICATION.**—The Secretary may not make a grant under subsection (a) unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

**"(g) DEFINITION.**—For purposes of this section, the term 'school of nursing' has the meaning given such term in section 853.

**"(h) FUNDING.**—

**"(1) AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for fiscal year 1993.

"(2) **ALLOCATIONS BY SECRETARY.**—In making grants under subsection (a), the Secretary—

"(A) shall, of the amounts appropriated under paragraph (1), make available 30 percent for such grants to schools of nursing; and

"(B) shall give special consideration to health professions schools that have enrollments of underrepresented minorities above the national average for health professions schools.

**"SEC. 738. LOAN REPAYMENTS AND FELLOWSHIPS REGARDING FACULTY POSITIONS.**

**"(a) LOAN REPAYMENTS.**—

"(1) **ESTABLISHMENT OF PROGRAM.**—The Secretary shall establish a program of entering into contracts with individuals described in subsection (b) under which the individuals agree to serve as members of the faculties of schools described in paragraph (3) in consideration of the Federal Government agreeing to pay, for each year of such service, not more than \$20,000 of the principal and interest of the educational loans of such individuals.

"(2) **ELIGIBLE INDIVIDUALS.**—The individuals referred to in paragraph (1) are individuals from disadvantaged backgrounds who—

"(A) have a degree in medicine, osteopathic medicine, dentistry, or another health profession;

"(B) are enrolled in an approved graduate training program in medicine, osteopathic medicine, dentistry, or other health profession; or

"(C) are enrolled as a full-time student—

"(i) in an accredited (as determined by the Secretary) school described in paragraph (3); and

"(ii) in the final year of a course of a study or program, offered by such institution and approved by the Secretary, leading to a degree from such a school.

"(3) **ELIGIBLE HEALTH PROFESSIONS SCHOOLS.**—The schools described in this paragraph are schools of medicine, nursing (as schools of nursing are defined in section 853), osteopathic medicine, dentistry, pharmacy, podiatric medicine, optometry, veterinary medicine, or public health, or schools offering graduate programs in clinical psychology.

"(4) **ADDITIONAL LIMITATION ON AMOUNT OF REPAYMENTS.**—Payments made under this subsection regarding the educational loans of an individual may not, for any year for which the payments are made, exceed an amount equal to 20 percent of the outstanding principal and interest on the loans.

"(5) **REQUIREMENTS REGARDING FACULTY POSITIONS.**—The Secretary may not enter into a contract under paragraph (1) unless—

"(A) the individual involved has entered into a contract with a school described in paragraph (3) to serve as a member of the faculty of the school for not less than 2 years, and the individual has not been a member of the faculty of any school at any time during the 18-month period

preceding the date on which the Secretary receives the request of the individual for a contract under paragraph (1); and

"(B) the contract referred to in subparagraph (A) provides that—

"(i) the school will, for each year for which the individual will serve as a member of the faculty under the contract with the school, make payments of the principal and interest due on the educational loans of the individual for such year in an amount equal to the amount of such payments made by the Secretary for the year; and

"(ii) the payments made by the school pursuant to clause (i) on behalf of the individual will be in addition to the pay that the individual would otherwise receive for serving as a member of such faculty.

"(6) **WAIVER REGARDING SCHOOL CONTRIBUTIONS.**—The Secretary may waive the requirement established in paragraph (5)(B) if the Secretary determines that the requirement will impose an undue financial hardship on the school involved. If the Secretary grants such a waiver, paragraph (4) shall not apply with respect to the individual involved.

"(7) **APPLICABILITY OF CERTAIN PROVISIONS.**—The provisions of sections 338B, 338C, and 338E shall apply to the program established in paragraph (1) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III, including the applicability of provisions regarding reimbursements for increased tax liability and regarding bankruptcy.

"(b) **FELLOWSHIPS.**—

"(1) **IN GENERAL.**—The Secretary may make grants to and enter into contracts with schools of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, podiatric medicine, pharmacy, public health, health administration, clinical psychology, and other public or private nonprofit health or educational entities of the type described in section 799, to assist such schools in increasing the number of underrepresented minority faculty members at such schools.

"(2) **APPLICATIONS.**—To be eligible to receive a grant or contract under this subsection, a school shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including an assurance that—

"(A) amounts received under such a grant or contract will be used to award a fellowship to an individual only if—

"(i) the individual has not been a member of the faculty of any school at any time during the 18-month period preceding the date on which the individual submits a request for the fellowship; and

"(ii) the individual meets the requirements of paragraphs (3) and (4); and

"(B) each fellowship awarded pursuant to the grant or contract will include a stipend in an amount not exceeding 50 percent of the regular salary of a similar faculty member, or \$30,000, whichever is less.

"(3) **ELIGIBILITY.**—To be eligible to receive a grant or contract under paragraph (1), an applicant shall demonstrate to the Secretary that such applicant has or will have the ability to—

"(A) identify, recruit and select individuals from underrepresented minorities in health professions who have the potential for teaching, administration, or conducting research at a health professions institution;

"(B) provide such individuals with the skills necessary to enable them to secure a tenured faculty position at such institution, which may include training with respect to pedagogical skills, program administration, the design and conduct of research, grants writing, and the preparation of articles suitable for publication in peer reviewed journals;

"(C) provide services designed to assist such individuals in their preparation for an academic career, including the provision of mentors; and

"(D) provide health services to rural or medically underserved populations.

"(4) **REQUIREMENTS.**—To be eligible to receive a grant or contract under paragraph (1) an applicant shall—

"(A) provide an assurance that such applicant will make available (directly through cash donations) \$1 for every \$1 of Federal funds received under this section for the fellowship;

"(B) provide an assurance that institutional support will be provided for the individual for a second year at a level that is not less than the total amount of Federal and institutional funds provided in the year in which the grant or contract was awarded;

"(C) provide an assurance that the individual that will receive the fellowship will be a member of the faculty of the applicant school; and

"(D) provide an assurance that the individual that will receive the fellowship will have, at a minimum, appropriate advanced preparation (such as a master's or doctoral degree) and special skills necessary to enable such individual to teach and practice.

"(5) **DEFINITION.**—For purposes of this subsection, the term 'minority' means an individual from a racial or ethnic group that is underrepresented in the health professions.

"(c) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there is authorized to be appropriated \$4,000,000 for fiscal year 1993.

#### "SEC. 739. CENTERS OF EXCELLENCE.

"(a) **IN GENERAL.**—The Secretary shall make grants to health professions schools described in subsection (c) for the purpose of assisting the schools in supporting programs of excellence in health professions education for minority individuals.



**"(b) REQUIRED USE OF FUNDS.**—The Secretary may not make a grant under subsection (a) unless the health professions school involved agrees to expend the grant—

"(1) to establish, strengthen, or expand programs to enhance the academic performance of minority students attending the school;

"(2) to establish, strengthen, or expand programs to increase the number and quality of minority applicants to the school;

"(3) to improve the capacity of such school to train, recruit, and retain minority faculty;

"(4) with respect to minority health issues, to carry out activities to improve the information resources and curricula of the school and clinical education at the school; and

"(5) to facilitate faculty and student research on health issues particularly affecting minority groups.

**"(c) CENTERS OF EXCELLENCE.**—

**"(1) IN GENERAL.**—

"(A) The health professions schools referred to in subsection (a) are such schools that meet each of the conditions specified in subparagraph (B), and that—

"(i) meet each of the conditions specified in paragraph (2)(A);

"(ii) meet each of the conditions specified in paragraph (3);

"(iii) meet each of the conditions specified in paragraph (4); or

"(iv) meet each of the conditions specified in paragraph (5).

"(B) The conditions specified in this subparagraph are that a health professions school—

"(i) has a significant number of minority individuals enrolled in the school, including individuals accepted for enrollment in the school;

"(ii) has been effective in assisting minority students of the school to complete the program of education and receive the degree involved;

"(iii) has been effective in recruiting minority individuals to attend the school, including providing scholarships and other financial assistance to such individuals and encouraging minority students of secondary educational institutions to attend the health professions school; and

"(iv) has made significant recruitment efforts to increase the number of minority individuals serving in faculty or administrative positions at the school.

"(C) In the case of any criteria established by the Secretary for purposes of determining whether schools meet the conditions described in subparagraph (B), this section may not, with respect to racial and ethnic minorities, be construed to authorize, require, or prohibit the use of such criteria in any program other than the program established in this section.

**"(2) CENTERS OF EXCELLENCE AT CERTAIN HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.**—

"(A) The conditions specified in this subparagraph are that a health professions school—

"(i) is a school described in section 799(1); and

"(ii) received a contract under section 788B for fiscal year 1987, as such section was in effect for such fiscal year.

"(B) In addition to the purposes described in subsection (b), a grant under subsection (a) to a health professions school meeting the conditions described in subparagraph (A) may be expended—

"(i) to develop a plan to achieve institutional improvements, including financial independence, to enable the school to support programs of excellence in health professions education for minority individuals; and

"(ii) to provide improved access to the library and informational resources of the school.

"(3) **HISPANIC CENTERS OF EXCELLENCE.**—The conditions specified in this paragraph are that—

"(A) with respect to Hispanic individuals, each of clauses (i) through (iv) of paragraph (1)(B) applies to the health professions school involved; and

"(B) the health professions school agree, as a condition of receiving a grant under subsection (a), that the school will, in carrying out the duties described in subsection (b), give priority to carrying out the duties with respect to Hispanic individuals.

"(4) **NATIVE AMERICAN CENTERS OF EXCELLENCE.**—Subject to subsection (e), the conditions specified in this paragraph are that—

"(A) with respect to Native Americans, each of clauses (i) through (iv) of paragraph (1)(B) applies to the health professions school involved;

"(B) the health professions school agree, as a condition of receiving a grant under subsection (a), that the school will, in carrying out the duties described in subsection (b), give priority to carrying out the duties with respect to Native Americans; and

"(C) the health professions school agree, as a condition of receiving a grant under subsection (a), that—

"(i) the school will establish an arrangement with 1 or more public or nonprofit private institutions of higher education whose enrollment of students has traditionally included a significant number of Native Americans, the purpose of which arrangement will be to carry out a program—

"(I) to identify Native American students of the institution who are interested in a career in the health profession or professions involved; and

"(II) to facilitate the educational preparation of such students to enter the health professions school; and

"(ii) the health professions school will make efforts to recruit Native American students, including stu-

dents who have participated in the undergraduate program carried out under arrangements established by the school pursuant to clause (i) and will assist Native American students regarding the completion of the educational requirements for a degree from the health professions school.

"(5) OTHER CENTERS OF EXCELLENCE.—The conditions specified in this paragraph are that a health professions school has an enrollment of underrepresented minorities above the national average for such enrollments of health professions schools.

"(d) DESIGNATION AS CENTER OF EXCELLENCE.—

"(1) IN GENERAL.—Any health professions school receiving a grant under subsection (a) and meeting the conditions described in paragraph (2) or (5) of subsection (c) shall, for purposes of this section, be designated by the Secretary as a Center of Excellence in Minority Health Professions Education.

"(2) HISPANIC CENTERS OF EXCELLENCE.—Any health professions school receiving a grant under subsection (a) and meeting the conditions described in subsection (c)(3) shall, for purposes of this section, be designated by the Secretary as a Hispanic Center of Excellence in Health Professions Education.

"(3) NATIVE AMERICAN CENTERS OF EXCELLENCE.—Any health professions school receiving a grant under subsection (a) and meeting the conditions described in subsection (c)(4) shall, for purposes of this section, be designated by the Secretary as a Native American Center of Excellence in Health Professions Education. Any consortium receiving such a grant pursuant to subsection (e) shall, for purposes of this section, be so designated.

"(e) AUTHORITY REGARDING NATIVE AMERICAN CENTERS OF EXCELLENCE.—

"(1) AUTHORITY FOR COLLECTIVELY MEETING RELEVANT REQUIREMENTS.—With respect to meeting the conditions specified in subsection (c)(4), the Secretary may make a grant under subsection (a) to any school of medicine, osteopathic medicine, dentistry, or pharmacy that has in accordance with paragraph (2) formed a consortium of schools that meets such conditions (without regard to whether the schools of the consortium individually meet such conditions).

"(2) REQUIREMENTS REGARDING CONSORTIUM.—A consortium of schools has been formed in accordance with this paragraph if—

"(A) the consortium consists of a school seeking a grant pursuant to paragraph (1) and 1 or more schools of medicine, osteopathic medicine, dentistry, pharmacy, nursing, allied health, or public health;

"(B) the schools of the consortium have entered into an agreement for the allocation of such grant among the schools;

"(C) each of the schools agrees to expend the grant in accordance with this section; and

"(D) each of the schools of the consortium—

"(i) is part of the same institution of higher education as the school seeking the grant; or

"(ii) is located not farther than 50 miles from the school seeking the grant.

"(f) DURATION AND AMOUNT OF GRANT.—

"(1) DURATION.—The period during which payments are made under a grant under subsection (a) may not exceed 3 years. Such payments shall be subject to annual approval by the Secretary and to the availability of appropriations for the fiscal year involved to make the payments.

"(2) AMOUNT.—A grant under subsection (a) for a fiscal year may not be made in an amount that is less than \$500,000.

"(g) MAINTENANCE OF EFFORT.—

"(1) IN GENERAL.—With respect to activities for which a grant under subsection (a) is authorized to be expended, the Secretary may not make such a grant to a health professions school for any fiscal year unless the school agrees to maintain expenditures of non-Federal amounts for such activities at a level that is not less than the level of such expenditures maintained by the school for the fiscal year preceding the fiscal year for which the school receives such a grant.

"(2) USE OF FEDERAL FUNDS.—With respect to any Federal amounts received by a health professions school and available for carrying out activities for which a grant under subsection (a) is authorized to be expended, the Secretary may not make such a grant to the school for any fiscal year unless the school agrees that the school will, before expending the grant, expend the Federal amounts obtained from sources other than the grant.

"(h) DEFINITIONS.—For purposes of this section:

"(1)(A) The term 'health professions school' means, except as provided in subparagraph (B), a school of medicine, a school of osteopathic medicine, a school of dentistry, or a school of pharmacy.

"(B) The definition established in subparagraph (A) shall not apply to the use of the term 'health professions school' for purposes of subsection (c)(2).

"(2) The term 'program of excellence' means any program carried out by a health professions school with a grant made under subsection (a), if the program is for purposes for which the school involved is authorized in subsection (b) or (c) to expend the grant.

"(3) The term 'Native Americans' means American Indians, Alaskan Natives, Aleuts, and Native Hawaiians.

"(i) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of making grants under subsection (a), there are authorized to be appropriated such sums as may be necessary for fiscal year 1993.

"(2) ALLOCATIONS BY SECRETARY.—

"(A) Of the amounts appropriated under paragraph (1) for a fiscal year, the Secretary shall make available \$12,000,000 for grants under subsection (a) to health professions schools that are eligible for such grants pursuant to meeting the conditions described in paragraph (2)(A) of subsection (c).

"(B) Of the amounts appropriated under paragraph (1) for a fiscal year and available after compliance with subparagraph (A), the Secretary shall make available 60 percent for grants under subsection (a) to health professions schools that are eligible for such grants pursuant to meeting the conditions described in paragraph (3) or (4) of subsection (c) (including meeting conditions pursuant to subsection (e)).

"(C) Of the amounts appropriated under paragraph (1) for a fiscal year and available after compliance with subparagraph (A), the Secretary shall make available 40 percent for grants under subsection (a) to health professions schools that are eligible for such grants pursuant to meeting the conditions described in paragraph (5) of subsection (c).

**"SEC. 740. EDUCATIONAL ASSISTANCE REGARDING UNDERGRADUATES.**

**"(a) IN GENERAL.—**

"(1) **AUTHORITY FOR GRANTS.**—For the purpose of assisting individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, to undertake education to enter a health profession, the Secretary may make grants to and enter into contracts with schools of medicine, osteopathic medicine, public health, dentistry, veterinary medicine, optometry, pharmacy, allied health, chiropractic, and podiatric medicine, public and nonprofit private schools which offer graduate programs in clinical psychology, and other public or private nonprofit health or educational entities to assist in meeting the costs described in paragraph (2).

"(2) **AUTHORIZED EXPENDITURES.**—A grant or contract under paragraph (1) may be used by the health or educational entity to meet the cost of—

"(A) identifying, recruiting, and selecting individuals from disadvantaged backgrounds, as so determined, for education and training in a health profession,

"(B) facilitating the entry of such individuals into such a school,

"(C) providing counseling or other services designed to assist such individuals to complete successfully their education at such a school,

"(D) providing, for a period prior to the entry of such individuals into the regular course of education of such a school, preliminary education designed to assist them to complete successfully such regular course of education at such a school, or referring such individuals to institutions providing such preliminary education,

"(E) publicizing existing sources of financial aid available to students in the education program of such a school or who are undertaking training necessary to qualify them to enroll in such a program,

"(F) paying such scholarships as the Secretary may determine for such individuals for any period of health professions education at a school of medicine, osteopathic medicine, or dentistry,



"(G) paying such stipends as the Secretary may approve for such individuals for any period of education in student-enhancement programs (other than regular courses) at any school described in subsection (a)(1), except that such a stipend may not be provided to an individual for more than 12 months, and such a stipend shall be in an amount of \$40 per day (notwithstanding any other provision of law regarding the amount of stipends).

The term 'regular course of education of such a school' as used in subparagraph (D) includes a graduate program in clinical psychology.

**"(b) REQUIREMENTS REGARDING ENROLLMENT; PRIORITY IN MAKING GRANTS.—**

**"(1) INCREASED ENROLLMENT OF INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.—**Schools of medicine, osteopathic medicine, public health, dentistry, veterinary medicine, optometry, pharmacy, allied health, chiropractic, podiatric medicine and public and nonprofit schools that offer graduate programs in clinical psychology that receive a grant under subsection (a) shall, during a period of 3 years commencing on the date of the award of the grant, increase their first year enrollments of individuals from disadvantaged backgrounds by at least 20 percent over enrollments in the base year 1987.

**"(2) CONDITIONS FOR SCHOOLS TO RECEIVE PRIORITY.—**The Secretary shall give priority for funding, in years subsequent to the expiration of the 3-year period described in paragraph (1)—

**"(A)** to schools that attain such increase in their first year enrollment by the end of such 3-year period, and

**"(B)** to schools that attain a 20 percent increase over such base year enrollment.

**"(3) APPLICABILITY OF CERTAIN CONDITION FOR PRIORITY.—**The requirement for at least a 20 percent increase in such enrollment shall apply only to those schools referred to in paragraph (1) that have a proportionate enrollment of such individuals from disadvantaged backgrounds that is less than 200 percent of the national average percentage of such individuals in all schools of each health professions discipline.

**"(4) DETERMINATION OF ENROLLMENT.—**Determination of both first year and total enrollment of such individuals shall be made by the Secretary in accordance with section 792.

**"(c) EQUITABLE ALLOCATION OF FINANCIAL ASSISTANCE.—**The Secretary shall ensure that services and activities under subsection (a) are equitably allocated among the various racial and ethnic populations.

**"(d) FUNDING.—**

**"(1) AUTHORIZATION OF APPROPRIATIONS.—**For the purpose of grants and contracts under subsection (a)(1), there is authorized to be appropriated \$31,500,000 for fiscal year 1993.

**"(2) ALLOCATIONS.—**Of the amounts appropriated under paragraph (1) for any fiscal year, the Secretary shall obligate amounts in accordance with the following:

**"(A)** 70 percent shall be obligated for grants or contracts to institutions of higher education.

"(B) 20 percent shall be obligated for scholarships under subsection (a)(2)(F) to individuals of exceptional financial need (as defined by the Secretary under section 736) who are students at schools of medicine, osteopathic medicine, or dentistry. The provision of such scholarships to such individuals shall be subject to section 795 (relating to residency training and practice in primary health care). Such scholarships shall be administered and awarded in the same manner and subject to the same requirements as scholarships under section 736.

"(C) 10 percent shall be obligated for community-based programs.

"(D) Not more than 5 percent may be obligated for grants and contracts having the primary purpose of informing individuals about the existence and general nature of health careers.

## **"PART C—TRAINING IN PRIMARY HEALTH CARE**

### **"SEC. 746. AREA HEALTH EDUCATION CENTER PROGRAMS.**

"(a) **AUTHORITY FOR PROVISION OF FINANCIAL ASSISTANCE.—**

"(1) **ASSISTANCE FOR PLANNING, DEVELOPMENT, AND OPERATION OF PROGRAMS.—**

"(A) The Secretary shall provide financial assistance to schools of medicine and osteopathic medicine for the planning, development, and operation of area health education center programs.

"(B)(i) Subject to clause (ii), the period during which payments are made from an award under subparagraph (A) may not exceed 12 years. The provision of the payments shall be subject to annual approval by the Secretary of the payments and subject to the availability of appropriations for the fiscal year involved to make the payments. The preceding sentence may not be construed as establishing a limitation on the number of awards under such subparagraph that may be made to the school involved.

"(ii) In the case of an area health education center planned, developed, or operated with an award under subparagraph (A), the period during which the award is expended for the center may not exceed 6 years.

"(2) **ASSISTANCE FOR CERTAIN PROJECTS OF EXISTING PROGRAMS.—**

"(A) The Secretary shall provide financial assistance to schools of medicine and osteopathic medicine—

"(i) which have previously received Federal financial assistance for an area health education center program under section 802 of the Health Professionals Educational Assistance Act of 1976 in fiscal year 1979 or under paragraph (1), or

"(ii) which are receiving assistance under paragraph (1),

to carry out projects described in subparagraph (B) through area health education centers for which Federal financial assistance was provided under paragraph (1) and which are no longer eligible to receive such assistance.

"(B) Projects for which assistance may be provided under subparagraph (A) are—

"(i) projects to improve the distribution, supply, quality, utilization, and efficiency of health personnel in the health services delivery system;

"(ii) projects to encourage the regionalization of educational responsibilities of the health professions schools; and

"(iii) projects designed to prepare, through preceptorships and other programs, individuals subject to a service obligation under the National Health Service Corps Scholarship Program to effectively provide health services in health professional shortage areas.

"(C) In the case of the requirement established in section 3804(e)(1) of part 57 of title 42, Code of Federal Regulations (42 CFR 57.3804(e)(1)) (relating to the location of area health education centers), the Secretary shall waive such requirement with respect to an area health education center having, at the time of initial application for financial assistance under this section or under a previous authorizing law, an operating program supported by both appropriations of a State legislature and local resources.

"(3) ASSISTANCE FOR OPERATION OF MODEL PROGRAMS.—

"(A) In the case of any school of medicine or osteopathic medicine that is operating an area health education center program and that is not receiving financial assistance under paragraph (1), the Secretary may provide financial assistance to the school for the costs of operating the program, and for carrying out activities described in subparagraph (E), if the school makes the agreements described in subparagraphs (B) through (D).

"(B)(i) For purposes of subparagraph (A), the agreement described in this subparagraph for a school is that, with respect to the costs of operating the area health education center program of the school, the school will make available (directly or through donations from public or private entities) non-Federal contributions in cash toward such costs in an amount that is not less than 50 percent of such costs.

"(ii) Amounts provided by the Federal Government may not be included in determining the amount of non-Federal contributions in cash made for purposes of the requirement established in clause (i).

"(C) For purposes of subparagraph (A), the agreement described in this subparagraph for a school is that, in operating the area health education program of the school, the school will—

"(i) coordinate the activities of the program with the activities of any office of rural health established by the State or States in which the program is operating;

"(ii) conduct health professions education and training activities consistent with national and State priorities in the area served by the program in coordi-

nation with the National Health Service Corps, entities receiving funds under section 329 or 330, and public health departments; and

"(iii) cooperate with any entities that are in operation in the area served by the program and that receive Federal or State funds to carry out activities regarding the recruitment and retention of health care providers.

"(D) For purposes of subparagraph (A), the agreement described in this subparagraph for a school is that, with respect to the costs of operating the area health education center program of the school, the school will maintain expenditures of non-Federal amounts for such costs at a level that is not less than the level of such expenditures maintained by the school for the fiscal year preceding the first fiscal year for which the school receives an award under subparagraph (A).

"(E) A school may expend not more than 10 percent of an award under subparagraph (A) for demonstration projects for any or all of the following purposes:

"(i) The establishment of computer-based information programs or telecommunication networks that will link health science centers and service delivery sites.

"(ii) The provision of disease specific educational programs for health providers and students in areas of concern to the United States.

"(iii) The development of information dissemination models to make available new information and technologies emerging from biological research centers to the practicing medical community.

"(iv) The institution of new minority recruitment and retention programs, targeted to improved service delivery in areas the program determines to be medically underserved.

"(v) The establishment of programs to place physicians from health manpower shortage areas into similar areas to encourage retention of physicians and to provide flexibility to States in filling positions in health professional shortage areas.

"(vi) The establishment or improvement of education and training programs for State emergency medical systems.

"(vii) The establishment of programs to train health care providers in the identification and referral of cases of domestic violence.

"(F) The aggregate amount of awards provided under subparagraph (A) to schools in a State for a fiscal year may not exceed the lesser of—

"(i) \$2,000,000; and

"(ii) an amount equal to the product of \$250,000 and the aggregate number of area health education centers operated in the State by the schools.

"(b) STRUCTURE OF PROGRAMS.—

"(1) *IN GENERAL.*—An area health education center program shall be a cooperative program of one or more medical (M.D. and D.O.) schools and one or more nonprofit private or public area health education centers.

"(2) *CERTAIN REQUIREMENTS.*—With respect to an area health education center program, a school may not receive an award under paragraph (1) of subsection (a) for operational expenses, or an award under paragraph (2) or (3) of such subsection, unless the program—

"(A) maintains preceptorship educational experiences for health science students;

"(B) maintains community-based primary care residency programs or is affiliated with such programs;

"(C) maintains continuing education programs for health professionals or coordinates with such programs;

"(D) maintains learning resource and dissemination systems for information identification and retrieval;

"(E) has agreements with community-based organizations for the delivery of education and training in the health professions;

"(F) is involved in the training of health professionals (including nurses and allied health professionals), except to the extent inconsistent with the law of the State in which the training is conducted; and

"(G) carries out recruitment programs for the health science professions, or programs for health-care awareness, among minority and other elementary or secondary students from areas the program has determined to be medically underserved.

"(c) *REQUIREMENTS FOR SCHOOLS.*—Each medical (M.D. and D.O.) school participating in an area health education center program shall—

"(1) provide for the active participation in such program by individuals who are associated with the administration of the school and each of the departments (or specialties if the school has no such departments) of internal medicine, pediatrics, obstetrics and gynecology, surgery, psychiatry, and family medicine;

"(2) provide that no less than 10 percent of all undergraduate medical (M.D. and D.O.) clinical education of the school will be conducted in an area health education center and at locations under the sponsorship of such center;

"(3) be responsible for, or conduct, a program for the training of physician assistants (as defined in section 799) or nurse practitioners (as defined under section 822) which gives special consideration to the enrollment of individuals from, or intending to practice in, the area served by the area health education center of the program; and

"(4) provide for the active participation of at least 2 schools or programs of other health professions (including a school of dentistry and a graduate program of mental health practice if there are ones affiliated with the university with which the school of medicine or osteopathic medicine is affiliated) in the



educational program conducted in the area served by the area health education center.

The requirement of paragraph (3) shall not apply to a medical (M.D. and D.O.) school participating in an area health education center program if another such school participating in the same program meets the requirement of that paragraph.

**"(d) REQUIREMENTS FOR CENTERS.—**

**"(1) SERVICE AREA.**—Each area health education center shall specifically designate a geographic area in which it will serve, or shall specifically designate a medically underserved population it will serve (such area or population with respect to such center in this section referred to as 'the area served by the center'), which area or population is in a location remote from the main site of the teaching facilities of the school or schools which participate in the program with such center.

**"(2) OTHER REQUIREMENTS.**—Each area health education center shall—

**"(A)** provide for or conduct training in health education services, including education in nutrition evaluation and counseling, in the area served by the center;

**"(B)** assess the health manpower needs of the area served by the center and assist in the planning and development of training programs to meet such needs;

**"(C)** provide for or conduct a rotating osteopathic internship or a medical residency training program in family medicine, general internal medicine, or general pediatrics in which no fewer than four individuals are enrolled in first-year positions in such program;

**"(D)** provide opportunities for continuing medical education (including education in disease prevention) to all physicians and other health professionals (including allied health personnel) practicing within the area served by the center;

**"(E)** provide continuing medical education and other educational support services to the National Health Service Corps members serving within the area served by the center;

**"(F)** conduct interdisciplinary training and practice involving physicians and other health personnel including, where practicable, physician assistants, nurse practitioners, and nurse midwives;

**"(G)** arrange and support educational opportunities for medical and other students at health facilities, ambulatory care centers, and health agencies throughout the area served by the center; and

**"(H)** have an advisory board of which at least 75 percent of the members shall be individuals, including both health service providers and consumers, from the area served by the center.

Any area health education center which is participating in an area health education center program in which another center has a medical residency training program described in subparagraph (C) need not provide for or conduct such a medical residency training program.

**"(e) CERTAIN PROVISIONS REGARDING FUNDING.—**

"(1) PROGRAMS.—Subject to paragraph (2), in providing financial assistance under this section to a school, the Secretary shall assure that—

"(A) at least 75 percent of the total funds provided to the school are expended by an area health education center program in the area health education centers, and that the school enters into an agreement with each of such centers for purposes of specifying the allocation of such 75 percent;

"(B) with respect to the operating costs of the area health education program of the school, non-Federal contributions for such costs are made in an amount that is not less than 25 percent of such costs; and

"(C) no award provides funds solely for the planning or development of such a program for a period exceeding two years.

The Secretary may vest in entities which have received financial assistance under section 802 of the Health Professions Educational Assistance Act of 1976, section 774 as in effect before October 1, 1977, or under subsection (a) of this section for area health education centers programs title to any property acquired on behalf of the United States by that entity (or furnished to that entity by the United States) under that award.

"(2) CENTERS.—With respect to the period during which an area health education center is planned, developed or operated pursuant to an award under subsection (a)(1), not more than 55 percent of the total amounts expended for the center in any fifth or sixth year of such period may be provided by the Secretary, subject to paragraph (3).

"(3) APPLICABILITY OF PROVISION REGARDING CENTERS.—Paragraph (2) shall apply only in the case of an area health education center program for which the initial award under subsection (a)(1) is provided on or after the date of the enactment of the Health Professions Education Extension Amendments of 1992.

"(f) HEALTH EDUCATION AND TRAINING CENTERS.—

"(1) IN GENERAL.—The Secretary shall provide financial assistance to schools of medicine and osteopathic medicine for the purpose of planning, developing, establishing, maintaining, and operating health education and training centers—

"(A) to improve the supply, distribution, quality, and efficiency of personnel providing health services in the State of Florida or (in the United States) along the border between the United States and Mexico;

"(B) to improve the supply, distribution, quality, and efficiency of personnel providing, in other urban and rural areas (including frontier areas) of the United States, health services to any population group, including Hispanic individuals, that has demonstrated serious unmet health care needs; and

"(C) to encourage health promotion and disease prevention through public education in the areas described.

"(2) ARRANGEMENTS WITH OTHER ENTITIES.—The Secretary may not provide financial assistance under paragraph (1) unless the applicant for such assistance agrees, in carrying out the

purpose described in such paragraph, to enter into arrangements with one or more public or nonprofit private entities in the State that have expertise in providing health education to the public.

"(3) **SERVICE AREA.**—The Secretary shall, after consultation with health education and training centers, designate the geographic area in which each such center will carry out the purpose described in paragraph (1). The service area of such a center shall be located entirely within the State in which the center is located. Each border health education and training center shall be located in a county (or other political subdivision) of the State in close proximity to the border between the United States and Mexico.

"(4) **ADVISORY GROUP; OPERATIONAL PLAN.**—The Secretary may not provide financial assistance under paragraph (1) unless the applicant for such assistance agrees—

"(A) to establish an advisory group comprised of health service providers, educators and consumers from the service area and of faculty from participating schools;

"(B) after consultation with such advisory group, to develop a plan for carrying out the purpose described in paragraph (1) in the service area;

"(C) to enter into contracts, as needed, with other institutions or entities to carry out such plan; and

"(D) to be responsible for the evaluation of the program.

"(5) **CERTAIN ACTIVITIES.**—The Secretary may not provide financial assistance under paragraph (1) unless the applicant for such assistance agrees—

"(A) to evaluate the specific service needs for health care personnel in the service area;

"(B) to assist in the planning, development, and conduct of training programs to meet the needs identified pursuant to subparagraph (A);

"(C) to conduct or support not less than one training and education program for physicians and one program for nurses for at least a portion of the clinical training of such students;

"(D) to conduct or support training in health education services, including training to prepare community health workers to implement health education programs in communities, health departments, health clinics, and public schools that are located in the service area;

"(E) to conduct or support continuing medical education programs for physicians and other health professionals (including allied health personnel) practicing in the service area;

"(F) to support health career educational opportunities designed to provide students residing in the service area with counseling, education, and training in the health professions;

"(G) with respect to border health education and training centers, to assist in coordinating its activities and programs carried out pursuant to paragraph (1)(A) with any

similar programs and activities carried out in Mexico along the border between the United States and Mexico;

"(H) to make available technical assistance in the service area in the aspects of health care organization, financing and delivery; and

"(I) in the case of any school of public health located in the service area of the health education and training center operated with the assistance, to permit any such school to participate in the program of the center if the school makes a request to so participate.

"(6) ALLOCATION OF FUNDS BY CENTERS.—In carrying out this subsection, the Secretary shall ensure that—

"(A) not less than 75 percent of the total funds provided to a school or schools of medicine or osteopathic medicine will be expended in the development and operation of the health education and training center in the service area of such program;

"(B) to the maximum extent feasible, the school of medicine or osteopathic medicine will obtain from nongovernmental sources the amount of the total operating funds for such program which are not provided by the Secretary;

"(C) no award shall provide funds solely for the planning or development of a health education and training center program for a period in excess of two years;

"(D) not more than 10 percent of the annual budget of each program may be utilized for the renovation and equipping of clinical teaching sites; and

"(E) no award shall provide funds to be used outside the United States except as the Secretary may prescribe for travel and communications purposes related to the conduct of a border health education and training center.

"(7) DEFINITIONS.—For purposes of this subsection:

"(A) The term 'border health education and training center' means an entity that is a recipient of an award under paragraph (1) and that is carrying out (or will carry out) the purpose described in subparagraph (A) of such paragraph.

"(B) The term 'health education and training center' means an entity that is a recipient of an award under paragraph (1).

"(C) The term 'service area' means, with respect to a health education and training center, the geographic area designated for the center under paragraph (3).

"(8) ALLOCATION OF FUNDS BY SECRETARY.—

"(A) Of the amounts appropriated pursuant to subsection (ix)(2) for a fiscal year, the Secretary shall make available 50 percent for allocations each fiscal year for applications approved by the Secretary for border health education and training centers. The amount of the allocation for each such center shall be determined in accordance with subparagraph (B).

"(B) The amount of an allocation under subparagraph (A) for a fiscal year shall be determined in accordance with

a formula prescribed by the Secretary, which formula shall be based—

"(i) with respect to the service area of the border health education and training center involved, on the low-income population, including Hispanic individuals, in the State of Florida and along the border between the United States and Mexico, and the growth rate of such population;

"(ii) on the need of such population for additional personnel to provide health care services along such border; and

"(iii) on the most current information concerning mortality and morbidity and other indicators of health status for such population.

"(g) **DEFINITIONS.**—For purposes of this section:

"(1) The term 'area health education center program' means a program which is organized as provided in subsection (b) and under which the participating medical (M.D. and D.O.) schools and the area health education centers meet the requirements of subsections (c) and (d).

"(2) The term 'award' means an award of financial assistance.

"(3) The term 'financial assistance' means a grant, cooperative agreement, or contract.

"(h) **CRITERIA AND STANDARDS.**—The Secretary shall establish standards and criteria for the requirements of this section.

"(i) **AUTHORIZATION OF APPROPRIATIONS.**—

"(1) **AREA HEALTH EDUCATION CENTER PROGRAMS.**—

"(A) For the purpose of carrying out this section other than subsection (f), there is authorized to be appropriated \$25,000,000 for each of the fiscal years 1993 through 1995.

"(B) Of the amounts appropriated under paragraph (1) for a fiscal year, the Secretary may not obligate more than 20 percent for awards under subsection (a)(2).

"(C) Of the amounts appropriated under paragraph (1) for fiscal year 1993, the Secretary shall obligate for awards under subsection (a)(3) such amounts as are appropriated in excess of \$19,200,000. Of the amounts appropriated under paragraph (1) for each of the fiscal years 1994 and 1995, the Secretary shall obligate for such awards such amounts as are appropriated in excess of \$18,700,000.

"(2) **HEALTH EDUCATION AND TRAINING CENTERS.**—For the purpose of carrying out subsection (f), there is authorized to be appropriated \$5,000,000 for each of the fiscal years 1993 through 1995.

"**SEC. 747. FAMILY MEDICINE.**

"(a) **TRAINING GENERALLY.**—The Secretary may make grants to, or enter into contracts with, any public or nonprofit private hospital, school of medicine or osteopathic medicine, or to or with a public or private nonprofit entity (which the Secretary has determined is capable of carrying out such grant or contract)—

"(1) to plan, develop, and operate, or participate in, an approved professional training program (including an approved residency or internship program) in the field of family medicine



for medical (M.D. and D.O.) students, interns (including interns in internships in osteopathic medicine), residents, or practicing physicians;

"(2) to provide financial assistance (in the form of traineeships and fellowships) to medical (M.D. and D.O.) students, interns (including interns in internships in osteopathic medicine), residents, practicing physicians, or other medical personnel, who are in need thereof, who are participants in any such program, and who plan to specialize or work in the practice of family medicine;

"(3) to plan, develop, and operate a program for the training of physicians who plan to teach in family medicine training programs; and

"(4) to provide financial assistance (in the form of traineeships and fellowships) to physicians who are participants in any such program and who plan to teach in a family medicine training program.

"(b) ACADEMIC ADMINISTRATIVE UNITS.—

"(1) IN GENERAL.—The Secretary may make grants to or enter into contracts with schools of medicine or osteopathic medicine to meet the costs of projects to establish, maintain, or improve academic administrative units (which may be departments, divisions, or other units) to provide clinical instruction in family medicine.

"(2) PREFERENCE IN MAKING AWARDS.—In making awards of grants and contracts under paragraph (1), the Secretary shall give preference to any qualified applicant for such an award that agrees to expend the award for the purpose of—

"(A) establishing an academic administrative unit for programs in family medicine; or

"(B) substantially expanding the programs of such a unit.

"(c) DURATION OF AWARD.—The period during which payments are made to an entity from an award of a grant or contract under subsection (a) may not exceed 5 years. The provision of such payments shall be subject to annual approval by the Secretary of the payments and subject to the availability of appropriations for the fiscal year involved to make the payments.

"(d) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there is authorized to be appropriated \$54,000,000 for each of the fiscal years 1993 through 1995.

"(2) ALLOCATION.—Of the amounts appropriated under paragraph (1) for a fiscal year, the Secretary shall make available not less than 20 percent for awards of grants and contracts under subsection (b).

#### "SEC. 748. GENERAL INTERNAL MEDICINE AND GENERAL PEDIATRICS.

"(a) IN GENERAL.—The Secretary may make grants to and enter into contracts with schools of medicine and osteopathic medicine, public or private nonprofit hospital, or any other public or private nonprofit entity to meet the costs of projects—

"(1) to plan, develop, and operate, or participate in, an approved professional training program (including an approved

residency or internship program) in the field of internal medicine or pediatrics for medical (M.D. and D.O.) students, interns (including interns in internships in osteopathic medicine), residents, or practicing physicians, which training program emphasizes training for the practice of general internal medicine or general pediatrics (as defined by the Secretary in regulations);

"(2) to provide financial assistance (in the form of traineeships and fellowships) to medical (M.D. and D.O.) students, interns (including interns in internships in osteopathic medicine), residents, practicing physicians, or other medical personnel, who are in need thereof, who are participants in any such training program, and who plan to specialize in or work in the practice of general internal medicine or general pediatrics;

"(3) to plan, develop, and operate a program for the training of physicians who will teach in a general internal medicine or general pediatrics training program; and

"(4) which provide financial assistance (in the form of traineeships and fellowships) to physicians who are participants in any such program and who plan to teach in a general internal medicine or general pediatrics training program.

"(b) DURATION OF AWARD.—The period during which payments are made to an entity from an award of a grant or contract under subsection (a) may not exceed 5 years. The provision of such payments shall be subject to annual approval by the Secretary of the payments and subject to the availability of appropriations for the fiscal year involved to make the payments.

"(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there is authorized to be appropriated \$25,000,000 for each of the fiscal years 1993 through 1995.

#### "SEC. 749. GENERAL PRACTICE OF DENTISTRY.

"(a) IN GENERAL.—The Secretary may make grants to, and enter into contracts with, any public or nonprofit private school of dentistry or accredited postgraduate dental training institution—

"(1) to plan, develop, and operate an approved residency program in the general practice of dentistry or an approved advanced educational program in the general practice of dentistry;

"(2) to provide financial assistance (in the form of traineeships and fellowships) to participants in such a program who are in need of financial assistance and who plan to specialize in the practice of general dentistry; and

"(3) to fund innovative, nontraditional models for the provision of postdoctoral General Dentistry training.

"(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there is authorized to be appropriated \$6,000,000 for each of the fiscal years 1993 through 1995.

#### "SEC. 750. PHYSICIAN ASSISTANTS.

"(a) IN GENERAL.—The Secretary may make grants to and enter into contracts with public or nonprofit private schools of medicine and osteopathic medicine and other public or nonprofit private entities to meet the costs of projects to plan, develop, and operate or maintain programs—

"(1) for the training of physician assistants (as defined in section 799); and

"(2) for the training of individuals who will teach programs of such training.

"(b) **REGULATIONS.**—After consultation with appropriate organizations, the Secretary shall prescribe regulations for programs receiving assistance under subsection (a) for the training of physician assistants. Such regulations shall, as a minimum, require that such a program—

"(1) extend for at least one academic year and consist of—

"(A) supervised clinical practice; and

"(B) at least four months (in the aggregate) of classroom instruction, directed toward preparing students to deliver health care;

"(2) have an enrollment of not less than eight students; and

"(3) train students in primary care, disease prevention, health promotion, geriatric medicine, and home health care.

"(c) **PLACEMENT OF GRADUATES.**—No grant or contract may be made under subsection (a) unless the school or other entity involved provides assurances satisfactory to the Secretary that the school or entity has appropriate mechanisms for placing graduates of the training program with respect to which the application is submitted in positions for which they have been trained.

"(d) **FUNDING.**—

"(1) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there is authorized to be appropriated \$9,000,000 for each of the fiscal years 1993 through 1995.

"(2) **LIMITATION.**—Not more than 10 percent of the amounts appropriated under paragraph (1) may be expended for carrying out subsection (a)(2).

#### "SEC. 751. **PODIATRIC MEDICINE.**

"(a) **IN GENERAL.**—The Secretary may make grants to, and enter into contracts with, public and nonprofit private hospitals and schools of podiatric medicine for the purpose of planning and implementing projects in primary care training for podiatric physicians in approved or provisionally approved residency programs which shall provide financial assistance in the form of traineeships to residents who participate in such projects and who plan to specialize in primary care.

"(b) **PREFERENCE IN MAKING GRANTS.**—In making grants under subsection (a), the Secretary shall give preference to qualified applicants that provide clinical training in podiatric medicine in a variety of medically underserved communities.

"(c) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there is authorized to be appropriated \$1,000,000 for each of the fiscal years 1993 through 1995.

#### "SEC. 752. **GENERAL PROVISIONS.**

"(a) **TRAINEESHIPS AND FELLOWSHIPS.**—

"(1) **TRAINEESHIPS.**—Payments by recipients of grants or contracts under this part for traineeships shall be limited to such amounts as the Secretary finds necessary to cover the cost of tuition and fees of, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees.

"(2) **FELLOWSHIPS.**—Payments by recipients of grants or contracts under this part for fellowships shall be limited to such amounts as the Secretary finds necessary to cover the cost of advanced study by, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for, the fellows.

"(b) **AMOUNT OF GRANT.**—The amount of any grant or contract under this part shall be determined by the Secretary.

## **"PART D—TRAINING IN CERTAIN HEALTH PROFESSIONS**

### **"Subpart I—Public Health and Preventive Medicine**

#### **"SEC. 761. PUBLIC HEALTH TRAINEESHIPS.**

"(a) **IN GENERAL.**—The Secretary may make grants to accredited schools of public health, and to other public or nonprofit private institutions accredited for the provision of graduate or specialized training in public health, for the purpose of assisting such schools and institutions in providing traineeships to individuals described in subsection (b)(3).

#### **"(b) CERTAIN REQUIREMENTS.—**

"(1) **APPLICATION FOR GRANT.**—No grant for traineeships may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain such information, as the Secretary by regulation may prescribe. Traineeships under such a grant shall be awarded in accordance with such regulations as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary.

"(2) **USE OF GRANT.**—Traineeships awarded under grants made under subsection (a) shall provide for tuition and fees and such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary.

"(3) **ELIGIBLE INDIVIDUALS.**—The individuals referred to in subsection (a) are individuals who are pursuing a course of study in a health professions field in which there is a severe shortage of health professionals (which fields include the fields of epidemiology, environmental health, biostatistics, toxicology, and nutrition).

#### **"SEC. 762. PUBLIC HEALTH SPECIAL PROJECTS.**

"(a) **IN GENERAL.**—The Secretary may make grants to and enter into contracts with accredited schools of public health for the costs of planning, developing, demonstrating, operating, and evaluating projects that are in furtherance of the goals established by the Secretary for the year 2000 in the area of—

"(1) preventive medicine;

"(2) health promotion and disease prevention;

"(3) improving access to and quality of health services in medically underserved communities; or

"(4) reducing the incidence of domestic violence.

"(b) **PREFERENCES IN MAKING AWARDS.**—In making awards of grants and contracts under subsection (a), the Secretary shall give preference to qualified schools agreeing that the project for which the award is made—

"(1) will establish or strengthen field placements for students in public or nonprofit private health agencies or organizations; and

"(2) will involve faculty members and students in collaborative projects to enhance public health services to medically underserved communities.

"(c) **PARTICIPATION AND TRAINING OF STUDENTS.**—The Secretary may make an award of a grant or contract under subsection (a) only if the school involved agrees that the students of the school will, through participation in the project for which the award is made, receive training in the activities carried out by the project.

"(d) **APPLICATION FOR AWARD.**—The Secretary may make an award of a grant or contract under subsection (a) only if an application for the award is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"(e) **ESTABLISHMENT OF GOALS; RELATED REPORTS.**—

"(1) **GOALS.**—

"(A) The Secretary shall establish goals for projects under subsection (a) (including goals regarding the training of students), and shall require that, as a condition of the receipt of grants and contracts under such subsection, schools carry out activities in furtherance of meeting the goals.

"(B) The Secretary shall establish and implement a methodology for measuring the extent of progress that has been made toward the goals established under subparagraph (A) by schools receiving grants or contracts under subsection (a).

"(2) **REPORTS.**—Not later than February 1, 1994, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report describing the progress made by projects under subsection (a) during the preceding fiscal years toward the goals established under paragraph (1). For purposes of the report, the extent of such progress shall be measured through the methodology established under subparagraph (B) of such paragraph.

**"SEC. 763. PREVENTIVE MEDICINE; DENTAL PUBLIC HEALTH.**

"(a) **IN GENERAL.**—The Secretary may make grants to and enter into contracts with schools of medicine, osteopathic medicine, public health, and dentistry to meet the costs of projects—

"(1) to plan and develop new residency training programs and to maintain or improve existing residency training programs in preventive medicine and dental public health; and

"(2) to provide financial assistance to residency trainees enrolled in such programs.



**"(b) ADMINISTRATION.—**

**"(1) AMOUNT.—**The amount of any grant under subsection (a) shall be determined by the Secretary.

**"(2) APPLICATION.—**No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

**"(3) ELIGIBILITY.—**To be eligible for a grant under subsection (a), the applicant must demonstrate to the Secretary that it has or will have available full-time faculty members with training and experience in the fields of preventive medicine or dental public health and support from other faculty members trained in public health and other relevant specialties and disciplines.

**"(4) OTHER FUNDS.—**Schools of medicine, osteopathic medicine, dentistry, and public health may use funds committed by State, local, or county public health officers as matching amounts for Federal grant funds for residency training programs in preventive medicine.

**"SEC. 765. AUTHORIZATION OF APPROPRIATIONS.**

**"(a) IN GENERAL.—**For the purpose of carrying out this subpart, there is authorized to be appropriated \$15,500,000 for each of the fiscal years 1993 through 1995.

**"(b) LIMITATION REGARDING CERTAIN PROGRAM.—**In obligating amounts appropriated under subsection (a), the Secretary may not obligate more than 40 percent for carrying out section 762.

**"Subpart II—Allied Health Professions**

**"SEC. 766. ADVANCED TRAINING.**

**(a) IN GENERAL.—**The Secretary may award grants to and enter into contracts with eligible entities to assist such entities in meeting the costs associated with projects designed to—

(1) plan, develop, establish or expand postbaccalaureate programs for the advanced training of allied health professionals; and

(2) provide financial assistance, in the form of traineeships or fellowships, to postbaccalaureate students who are participants in any such program and who commit to teaching in the allied health profession involved.

**(b) PREFERENCE.—**In awarding grants under subsection (a), the Secretary shall give preference to qualified projects demonstrating that not less than 50 percent of the graduates of such schools or programs during the preceding 2-year period are engaged as full-time teaching faculty in an allied health shortage specialty.

**(c) LIMITATION.—**The Secretary shall limit grants and contracts awarded or entered into under subsection (a) to those allied health fields or specialties as the Secretary shall, from time to time, determine to have—

(1) the most significant national or regional shortages of practitioners;

(2) insufficient numbers of qualified faculty in entry level or advanced educational programs; or

(3) a significant role in the care and rehabilitation of patients who are elderly or disabled including physical therapists and occupational therapists.

"(d) **ELIGIBLE ENTITIES.**—For purposes of this section, the term 'eligible entities' means entities that are—

"(1) public or private nonprofit schools, universities, or other educational entities that provide for education and training in the allied health professions and that meet such standards as the Secretary may by regulation prescribe; or

"(2) public or nonprofit private entities capable, as determined by the Secretary, of carrying out projects described in subsection (a).

(e) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there is authorized to be appropriated \$5,000,000 for each of the fiscal years 1993 through 1995.

**"SEC. 767. PROJECT GRANTS AND CONTRACTS.**

"(a) **PROJECTS RELATED TO STRENGTHENING TRAINING AND INCREASING ENROLLMENT IN THE ALLIED HEALTH PROFESSIONS.**—The Secretary may make grants to and enter into contracts with eligible entities to assist such entities in meeting the costs associated with expanding or establishing programs that will increase the number of individuals trained in allied health professions. Programs and activities funded under this section may include—

"(1) those that expand enrollments in allied health professions with the greatest shortages or whose services are most needed by the elderly;

"(2) those that provide rapid transition training programs in allied health fields to individuals who have baccalaureate degrees in health-related sciences;

"(3) those that establish community-based allied health training programs that link academic centers to rural clinical settings;

"(4) those that provide career advancement training for practicing allied health professionals;

"(5) those that expand or establish clinical training sites for allied health professionals in medically underserved or rural communities in order to increase the number of individuals trained;

"(6) those that develop curriculum that will emphasize knowledge and practice in the areas of prevention and health promotion, geriatrics, long-term care, home health and hospice care, and ethics;

"(7) those that expand or establish interdisciplinary training programs that promote the effectiveness of allied health practitioners in geriatric assessment and the rehabilitation of the elderly;

"(8) those that expand or establish demonstration centers to emphasize innovative models to link allied health clinical practice, education, and research; and

"(9) those that provide financial assistance (in the form of traineeships) to students who are participants in any such program, and

"(A) who plan to pursue a career in an allied health field that has a demonstrated personnel shortage; and

"(B) who agree upon completion of the training program to practice in a medically underserved community; that shall be utilized to assist in the payment of all or part of the costs associated with tuition, fees and such other stipends as the Secretary may consider necessary.

"(b) APPLICATION.—

"(1) REQUIREMENT.—No grant may be awarded or contract entered into under this section unless an application therefore has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) PREFERENCE.—In considering an application submitted for a grant under this section, the Secretary shall give preference to qualified applicants that—

"(A) expand and maintain first-year enrollment by not less than 10 percent over enrollments in base year 1992; or

"(B) demonstrate that not less than 20 percent of the graduates of such training programs during the preceding 2-year period are working in medically underserved communities.

"(c) ELIGIBLE ENTITIES.—For purposes of this section, the term 'eligible entities' has the meaning given such term in section 766.

"(d) AUTHORIZATION OF APPROPRIATION.—For the purpose of carrying out this section, there is authorized to be appropriated \$5,000,000 for each of the fiscal years 1993 through 1995.

### **"Subpart III—Health Administration**

#### **"SEC. 771. TRAINEESHIPS AND SPECIAL PROJECTS.**

"(a) IN GENERAL.—The Secretary may make grants to public or nonprofit private educational entities (including graduate schools of social work but excluding accredited schools of public health) that offer a program described in subsection (b)—

"(1) to provide traineeships for students enrolled in such a program; and

"(2) to assist programs of health administration in the development or improvement of programs to prepare students for employment with public or nonprofit private entities.

"(b) RELEVANT PROGRAMS.—The program referred to in subsection (a) is a program in health administration, hospital administration, or health policy analysis and planning, which program is accredited by a body or bodies approved for such purpose by the Secretary of Education and which meets such other quality standards as the Secretary of Health and Human Services by regulation may prescribe.

"(c) **PREFERENCE IN MAKING GRANT.**—In making grants under subsection (a), the Secretary shall give preference to qualified applicants that meet the following conditions:

"(1) Not less than 25 percent of the graduates of the applicant are engaged in full-time practice settings in medically underserved communities.

"(2) The applicant recruits and admits students from medically underserved communities.

"(3) For the purpose of training students, the applicant has established relationships with public and nonprofit providers of health care in the community involved.

"(4) In training students, the applicant emphasizes employment with public or nonprofit private entities.

"(d) **CERTAIN PROVISIONS REGARDING TRAINEESHIPS.**—

"(1) **USE OF GRANT.**—Traineeships awarded under grants made under subsection (a) shall provide for tuition and fees and such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary.

"(2) **PREFERENCE FOR CERTAIN STUDENTS.**—Each entity applying for a grant under subsection (a) for traineeships shall assure to the satisfaction of the Secretary that the entity will give priority to awarding the traineeships to students who demonstrate a commitment to employment with public or nonprofit private entities in the fields with respect to which the traineeships are awarded.

"(e) **APPLICATION FOR GRANT.**—No grant may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain such information, as the Secretary may prescribe. Traineeships under such a grant shall be awarded in accordance with such requirements as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary.

"(f) **FUNDING.**—

"(1) **AUTHORIZATION OF APPROPRIATIONS.**—For payments under grants under subsection (a), there is authorized to be appropriated \$2,500,000 for each of the fiscal years 1993 through 1995.

"(2) **LIMITATION.**—In obligating amounts appropriated under paragraph (1) for a fiscal year, the Secretary may not obligate more than 30 percent for grants under subsection (a)(2).

## **"PART E—SPECIAL TRAINING PROJECTS**

**"SEC. 776. ACQUIRED IMMUNE DEFICIENCY SYNDROME.**

**"(a) SCHOOLS; CENTERS.**—

"(1) **IN GENERAL.**—The Secretary may make grants and enter into contracts to assist public and nonprofit private entities and schools and academic health science centers in meeting the costs of projects—

"(A) to train the faculty of schools of, and graduate departments or programs of, medicine, nursing, osteopathic

medicine, dentistry, public health, allied health, and mental health practice to teach health professions students to provide for the health care needs of individuals with HIV disease;

"(B) to train practitioners to provide for the health care needs of such individuals;

"(C) with respect to improving clinical skills in the diagnosis, treatment, and prevention of such disease, to educate and train the health professionals and clinical staff of schools of medicine, osteopathic medicine, and dentistry; and

"(D) to develop and disseminate curricula and resource materials relating to the care and treatment of individuals with such disease and the prevention of the disease among individuals who are at risk of contracting the disease.

"(2) PREFERENCE IN MAKING GRANTS.—In making grants under paragraph (1), the Secretary shall give preference to qualified projects which will—

"(A) train, or result in the training of, health professionals who will provide treatment for minority individuals with HIV disease and other individuals who are at high risk of contracting such disease; and

"(B) train, or result in the training of, minority health professionals and minority allied health professionals to provide treatment for individuals with such disease.

"(3) APPLICATION.—No grant or contract may be made under paragraph (1) unless an application is submitted to the Secretary in such form, at such time, and containing such information, as the Secretary may prescribe.

"(b) DENTAL SCHOOLS.—

"(1) IN GENERAL.—The Secretary may make grants to assist dental schools and programs described in section 777(b)(4)(B) with respect to oral health care to patients with HIV disease.

"(2) APPLICATION.—Each dental school or program described in section 777(b)(4)(B) may annually submit an application documenting the unreimbursed costs of oral health care provided to patients with HIV disease by that school or hospital during the prior year.

"(3) DISTRIBUTION.—The Secretary shall distribute the available funds among all eligible applicants, taking into account the number of patients with HIV disease served and the unreimbursed oral health care costs incurred by each institution as compared with the total number of patients served and costs incurred by all eligible applicants.

"(4) MAINTENANCE OF EFFORT.—The Secretary shall not make a grant under this subsection if doing so would result in any reduction in State funding allotted for such purposes.

"(c) DEFINITION.—For purposes of this section:

"(1) The term 'HIV disease' means infection with the human immunodeficiency virus, and includes any condition arising from such infection.

"(2) The term 'human immunodeficiency virus' means the etiologic agent for acquired immune deficiency syndrome.

"(d) AUTHORIZATION OF APPROPRIATIONS.—



"(1) **SCHOOLS; CENTERS.**—For the purpose of grants under subsection (a), there is authorized to be appropriated \$23,000,000 for each of the fiscal years 1993 through 1995.

"(2) **DENTAL SCHOOLS.**—For the purpose of grants under subsection (b), there is authorized to be appropriated \$7,000,000 for each of the fiscal years 1993 through 1995.

**"SEC. 777. GERIATRICS.**

"(a) **GERIATRIC EDUCATION CENTERS.**—The Secretary may make grants to and enter into contracts with accredited health professions schools or programs described in paragraph (1), (3), or (4) of section 799 or in section 853(2) to assist in meeting the costs of such schools or programs of projects to—

"(1) improve the training of health professionals in geriatrics;

"(2) develop and disseminate curricula relating to the treatment of the health problems of elderly individuals;

"(3) expand and strengthen instruction in methods of such treatment;

"(4) support the training and retraining of faculty to provide such instruction;

"(5) support continuing education of health professionals and allied health professionals who provide such treatment; and

"(6) establish new affiliations with nursing homes, chronic and acute disease hospitals, ambulatory care centers, and senior centers in order to provide students with clinical training in geriatric medicine.

**"(b) GERIATRIC TRAINING REGARDING PHYSICIANS AND DENTISTS.—**

"(1) **IN GENERAL.**—The Secretary may make grants to, and enter into contracts with, schools of medicine, schools of osteopathic medicine, teaching hospitals, and graduate medical education programs, for the purpose of providing support (including residencies, traineeships, and fellowships) for geriatric training projects to train physicians and dentists who plan to teach geriatric medicine, geriatric psychiatry, or geriatric dentistry.

"(2) **REQUIREMENTS.**—Each project for which a grant or contract is made under this subsection shall—

"(A) be staffed by full-time teaching physicians who have experience or training in geriatric medicine or geriatric psychiatry;

"(B) be staffed, or enter into an agreement with an institution staffed by full-time or part-time teaching dentists who have experience or training in geriatric dentistry;

"(C) be based in a graduate medical education program in internal medicine or family medicine or in a department of geriatrics or psychiatry;

"(D) provide training in geriatrics and exposure to the physical and mental disabilities of elderly individuals through a variety of service rotations, such as geriatric consultation services, acute care services, dental services, geriatric psychiatry units, day and home care programs, rehabilitation services, extended care facilities, geriatric ambu-

latory care and comprehensive evaluation units, and community care programs for elderly mentally retarded individuals; and

"(E) provide training in geriatrics through one or both of the training options described in subparagraphs (A) and (B) of paragraph (3).

"(3) **TRAINING OPTIONS.**—The training options referred to in subparagraph (F) of paragraph (2) shall be as follows:

"(A) A 1-year retraining program in geriatrics for—

"(i) physicians who are faculty members in departments of internal medicine, family medicine, gynecology, geriatrics, and psychiatry at schools of medicine and osteopathic medicine; and

"(ii) dentists who are faculty members at schools of dentistry or at hospital departments of dentistry.

"(B) A 2-year internal medicine or family medicine fellowship program providing emphasis in geriatrics, which shall be designed to provide training in clinical geriatrics and geriatrics research for—

"(i) physicians who have completed graduate medical education programs in internal medicine, family medicine, psychiatry, neurology, gynecology, or rehabilitation medicine; and

"(ii) dentists who have demonstrated a commitment to an academic career and who have completed postdoctoral dental training, including postdoctoral dental education programs or who have relevant advanced training or experience.

"(4) **DEFINITIONS.**—For purposes of this subsection:

"(A) The term 'graduate medical education program' means a program sponsored by a school of medicine, a school of osteopathic medicine, a hospital, or a public or private institution that—

"(i) offers postgraduate medical training in the specialties and subspecialties of medicine; and

"(ii) has been accredited by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association through its Committee on Postdoctoral Training.

"(B) The term 'post-doctoral dental education program' means a program sponsored by a school of dentistry, a hospital, or a public or private institution that—

"(i) offers post-doctoral training in the specialties of dentistry, advanced education in general dentistry, or a dental general practice residency; and

"(ii) has been accredited by the Commission on Dental Accreditation.

"(c) **GERIATRIC TRAINING REGARDING OPTOMETRISTS.**—The Secretary may make grants to, and enter into contracts with, schools and colleges of optometry for the purpose of providing support for projects—

"(1) to plan, develop, and operate projects in postgraduate geriatric care training for optometrists who will teach geriatric optometry;

"(2) to provide financial assistance (in the form of residencies, traineeships, and fellowships) to participants in such projects; and

"(3) to establish new affiliations with nursing homes, ambulatory care centers, senior centers, and other public or non-profit private entities.

"(d) AUTHORIZATION OF APPROPRIATIONS.—

"(1) EDUCATION CENTERS; TRAINING.—For grants and contracts under subsections (a) and (b), there is authorized to be appropriated \$17,000,000 for each of the fiscal years 1993 through 1995.

"(2) OPTOMETRY.—For grants and contracts under subsection (c), there is authorized to be appropriated \$400,000 for each of the fiscal years 1993 through 1995.

"SEC. 778. RURAL AREAS.

"(a) GRANTS.—The Secretary may make grants to, or enter into contracts with, any eligible applicant to help such applicant fund authorized activities under an application approved under subsection (d).

"(b) USE OF AMOUNTS.—

"(1) IN GENERAL.—Amounts provided under subsection (a) shall be used by the recipients to fund interdisciplinary training projects designed to—

"(A) use new and innovative methods to train health care practitioners to provide services in rural areas;

"(B) demonstrate and evaluate innovative interdisciplinary methods and models designed to provide access to cost-effective comprehensive health care;

"(C) deliver health care services to individuals residing in rural areas;

"(D) enhance the amount of relevant research conducted concerning health care issues in rural areas; and

"(E) increase the recruitment and retention of health care practitioners in rural areas and make rural practice a more attractive career choice for health care practitioners.

"(2) METHODS.—A recipient of funds under subsection (a) may use various methods in carrying out the projects described in paragraph (1), including—

"(A) the distribution of stipends to students of eligible applicants;

"(B) the establishment of a post-doctoral fellowship program;

"(C) the training of faculty in the economic and logistical problems confronting rural health care delivery systems; or

"(D) the purchase or rental of transportation and telecommunication equipment where the need for such equipment due to unique characteristics of the rural area is demonstrated by the recipient.

"(3) ADMINISTRATION.—

"(A) IN GENERAL.—An applicant shall not use more than 10 percent of the funds made available to such applicant under subsection (a) for administrative expenses.

"(B) **TRAINING.**—Not more than 10 percent of the individuals receiving training with funds made available to an applicant under subsection (a) shall be trained as doctors of medicine or doctors of osteopathy.

"(C) **LIMITATION.**—An institution that receives a grant under this section shall use amounts received under such grant to supplement, not supplant, amounts made available by such institution for activities of the type described in subsection (b)(1) in the fiscal year preceding the year for which the grant is received.

"(c) **ELIGIBLE APPLICANTS.**—Applicants eligible to obtain funds under subsection (a) shall include local health departments, non-profit organizations and public or nonprofit colleges, universities, or schools of, or programs that specialize in, nursing, mental health practice, optometry, public health, dentistry, osteopathy, physicians assistants, pharmacy, podiatry, medicine, chiropractic, and allied health professions if such applicants submit applications approved by the Secretary under subsection (d). Applicants eligible to obtain funds under subsection (a) shall not include for-profit entities, either directly or through a subcontract or subgrant.

"(d) **APPLICATIONS.**—

"(1) **SUBMISSION.**—In order to receive a grant under subsection (a) an entity shall submit an application to the Secretary.

"(2) **FORMS.**—An application submitted under this subsection shall be in such form, be submitted by such date, and contain such information as the Secretary shall require.

"(3) **APPLICATIONS.**—Applications submitted under this subsection shall—

"(A) be jointly submitted by at least two eligible applicants with the express purpose of assisting individuals in academic institutions in establishing long-term collaborative relationships with health care providers in rural areas;

"(B) designate a rural health care agency or agencies for clinical treatment or training, including hospitals, community health centers, migrant health centers, rural health clinics, community mental health centers, long-term care facilities, Native Hawaiian Health centers, or facilities operated by the Indian Health Service or an Indian tribe or tribal organization or Indian organization under a contract with the Indian Health Service under the Indian Self-Determination Act; and

"(C) provide any additional information required by the Secretary.

"(e) **DEFINITIONS.**—For the purposes of this section, the term 'rural' means geographic areas that are located outside of standard metropolitan statistical areas.

"(f) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there is authorized to be appropriated \$7,000,000 for each of the fiscal years 1993 through 1995.

## **"PART F—MISCELLANEOUS PROGRAMS**

### **"SEC. 781. RESEARCH ON CERTAIN HEALTH PROFESSIONS ISSUES.**

#### **"(a) EDUCATIONAL INDEBTEDNESS.—**

"(1) *IN GENERAL.*—Subject to paragraph (2), the Secretary may make grants to and enter into contracts with public and nonprofit private entities for the purpose of conducting research on the extent to which the debt incurred by medical students for attendance at educational institutions has had a detrimental effect on the decisions made by the students on entering primary care specialties.

"(2) *EVALUATION OF RATE OF INCREASE.*—In carrying out paragraph (1), the Secretary shall provide for a determination of the reasons underlying the rate of increase occurring since January 1, 1981, in tuition and fees for attending health professions schools. The Secretary shall ensure that the determination includes the justifications of such schools for such rate.

#### **"(b) EFFECT OF PROGRAMS FOR MINORITY AND DISADVANTAGED INDIVIDUALS.—**

"(1) *IN GENERAL.*—The Secretary may make grants to and enter into contracts with public and nonprofit private entities for the purpose of conducting research on the effects that Federally-funded educational programs or policies for minority or disadvantaged individuals have on—

"(A) the number of such individuals attending health professions school;

"(B) the number of such individuals completing the programs of education involved; and

"(C) the decisions made by such individuals on which of the health professions specialties to enter.

"(2) *SEPARATE SPECIFICATIONS FOR CERTAIN CATEGORIES OF SCHOOLS.*—The Secretary may provide a grant or contract under paragraph (1) only if the applicant involved agrees that in conducting research under such paragraph the applicant will make findings specific to the following categories of health professions schools:

"(A) Health professions schools of historically black colleges and universities.

"(B) Other health professions schools attended by a substantial number of minority individuals.

"(C) Health professions schools generally.

"(c) *EXTENT OF INVESTIGATIONS AND DISCIPLINARY ACTIONS BY STATE LICENSING AUTHORITIES.*—The Secretary may make grants to and enter into contracts with public and nonprofit private entities for the purpose of conducting research on the effectiveness of the States in protecting the public health through—

"(1) identifying health care providers with respect to whom investigations of professional qualifications are warranted;

"(2) conducting such investigations; and

"(3) taking disciplinary actions against health care providers determined through such investigations to have engaged in conduct inconsistent with protecting the public health.

"(d) *PRIMARY HEALTH CARE.*—



*"(1) IN GENERAL.—The Secretary may make grants to and enter into contracts with public and nonprofit private entities for the purpose of conducting research—*

*"(A) to determine the extent to which Federal programs and related financial incentives influence the percentage of medical school graduates selecting a primary care career;*

*"(B) to determine the extent to which Federal programs and related financial incentives adequately support the training of mid-level primary care providers relative to other health professions education receiving Federal assistance;*

*"(C) to assess the impact that direct and indirect payments for graduate medical education (including the appropriateness of payments for independent, ambulatory training sites) have on increasing the percentage of physicians graduating from medical school who enter primary care careers;*

*"(D) to assess the impact of medical school admission policies on specialty selection and recommend ways admission policies can better facilitate and promote the selection of primary care as a medical career;*

*"(E) to assess the impact that Federal funding for biomedical research influences the design of medical school curriculum and the availability of primary care educational opportunities;*

*"(F) to assess the impact of medical school curriculum, including the availability of clinical training in ambulatory care settings, influences the percentage of physicians selecting primary care residencies and selecting primary care as a medical career; and*

*"(G) to assess the extent to which current physician payment policies under resource based relative value scale are sufficient to encourage physicians graduating from medical school to enter and remain in primary care careers.*

*"(2) DEFINITIONS.—For purposes of this subsection:*

*"(A) The term 'primary care careers', with respect to medicine, means family practice, general internal medicine and general pediatrics.*

*"(B) The term 'mid-level primary care health professions' means physician assistants, nurse practitioners, and nurse midwives.*

*"(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there is authorized to be appropriated \$4,000,000 for each of the fiscal years 1993 through 1995.*

**"SEC. 782. CHIROPRACTIC DEMONSTRATION PROJECTS.**

*"(a) IN GENERAL.—The Secretary may make grants to and enter into contracts with schools, colleges, and universities of chiropractic for the purpose of carrying out demonstration projects in which chiropractors and physicians collaborate to identify and provide effective treatment for spinal and lower-back conditions.*

*"(b) PARTICIPATION OF MEDICAL SCHOOLS.—The Secretary may make an award of a grant or contract under subsection (a) only if the applicant involved has entered into such agreements as may be*

necessary to ensure that in the project under such subsection a school of medicine or osteopathic medicine will participate in the project.

"(c) **PEER REVIEW.**—Each peer review group under section 798(a) reviewing proposals for grants or contracts under subsection (a) shall include no fewer than two, and no more than three, chiropractors.

"(d) **REPORT TO CONGRESS.**—

"(1) **IN GENERAL.**—The Secretary shall prepare a report that—

"(A) summarizes the applications submitted to the Secretary for grants or contracts under subsection (a);

"(B) specifies the identity of entities receiving the grants or contracts; and

"(C) evaluates the effectiveness of the programs operated with the grants and contracts.

"(2) **DATE CERTAIN FOR SUBMISSION.**—Not later than February 10, 1995, the Secretary shall complete the report required in paragraph (1) and submit the report to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(e) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there is authorized to be appropriated \$1,000,000 for each of the fiscal years 1993 through 1995.

## **"PART G—GENERAL PROVISIONS**

### **"SEC. 791. PREFERENCES AND REQUIRED INFORMATION IN CERTAIN PROGRAMS.**

"(a) **PREFERENCES IN MAKING AWARDS.**—

"(1) **IN GENERAL.**—Subject to paragraph (2), in making awards of grants or contracts under any of sections 747 through 751, under section 763, or under section 766 or 767, the Secretary shall give preference to any qualified applicant that—

"(A) has a high rate for placing graduates in practice settings having the principal focus of serving residents of medically underserved communities; or

"(B) during the 2-year period preceding the fiscal year for which such an award is sought, has achieved a significant increase in the rate of placing graduates in such settings.

"(2) **LIMITATION REGARDING PEER REVIEW.**—For purposes of paragraph (1), the Secretary may not give an applicant preference if the proposal of the applicant is ranked at or below the 20th percentile of proposals that have been recommended for approval by peer review groups under section 798(a).

"(b) **REQUIRED SUBMISSION OF INFORMATION.**—The Secretary may make an award of a grant or contract under any of sections 747 through 751 or under section 763 only if the applicant for the award submits to the Secretary (through the application required in section 752(a)) the following information regarding the programs of the applicant:

"(1) A description of rotations or preceptorships for students, or clinical training programs for residents, that have the principal focus of providing health care to medically underserved communities.

"(2) The number of faculty on admissions committees who have a clinical practice in community-based ambulatory settings in medically underserved communities.

"(3) With respect to individuals who are from disadvantaged backgrounds or from medically underserved communities, the number of such individuals who are recruited for academic programs of the applicant, the number of such individuals who are admitted to such programs, and the number of such individuals who graduate from such programs.

"(4) If applicable, the number of recent graduates who have chosen careers in primary health care.

"(5) The number of recent graduates whose practices are serving medically underserved communities.

"(6) A description of whether and to what extent the applicant is able to operate without Federal assistance under this title.

"(c) DEFINITION.—For purposes of this section, the term 'graduate' means, unless otherwise specified, an individual who has successfully completed all training and residency requirements necessary for full certification in the health profession selected by the individual.

#### "SEC. 792. HEALTH PROFESSIONS DATA.

"(a) IN GENERAL.—The Secretary shall establish a program, including a uniform health professions data reporting system, to collect, compile, and analyze data on health professions personnel which program shall initially include data respecting all physicians and dentists in the States. The Secretary is authorized to expand the program to include, whenever he determines it necessary, the collection, compilation, and analysis of data respecting pharmacists, optometrists, podiatrists, veterinarians, public health personnel, audiologists, speech pathologists, health care administration personnel, nurses, allied health personnel, medical technologists, chiropractors, clinical psychologists, and any other health personnel in States designated by the Secretary to be included in the program. Such data shall include data respecting the training, licensure status (including permanent, temporary, partial, limited, or institutional), place or places of practice, professional specialty, practice characteristics, place and date of birth, sex, and socio-economic background of health professions personnel and such other demographic information regarding health professions personnel as the Secretary may require.

"(b) CERTAIN AUTHORITIES AND REQUIREMENTS.—

"(1) SOURCES OF INFORMATION.—In carrying out subsection (a), the Secretary shall collect available information from appropriate local, State, and Federal agencies and other appropriate sources.

"(2) CONTRACTS FOR STUDIES OF HEALTH PROFESSIONS.—The Secretary shall conduct or enter into contracts for the conduct of analytic and descriptive studies of the health professions, in-

cluding evaluations and projections of the supply of, and requirements for, the health professions by specialty and geographic location. Such studies shall include studies determining by specialty and geographic location the number of health professionals (including allied health professionals and health care administration personnel) who are members of minority groups, including Hispanics, and studies providing by specialty and geographic location evaluations and projections of the supply of, and requirements for, health professionals (including allied health professionals and health care administration personnel) to serve minority groups, including Hispanics.

"(3) **GRANTS AND CONTRACTS REGARDING STATES.**—The Secretary is authorized to make grants and to enter into contracts with States (or an appropriate nonprofit private entity in any State) for the purpose of participating in the program established under subsection (a). The Secretary shall determine the amount and scope of any such grant or contract. To be eligible for a grant or contract under this paragraph a State or entity shall submit an application in such form and manner and containing such information as the Secretary shall require. Such application shall include reasonable assurance, satisfactory to the Secretary, that—

"(A) such State (or nonprofit entity within a State) will establish a program of mandatory annual registration of the health professions personnel described in subsection (a) who reside or practice in such State and of health institutions licensed by such State, which registration shall include such information as the Secretary shall determine to be appropriate;

"(B) such State or entity shall collect such information and report it to the Secretary in such form and manner as the Secretary shall prescribe; and

"(C) such State or entity shall comply with the requirements of subsection (e).

"(d) **REPORTS TO CONGRESS.**—The Secretary shall submit to the Congress on October 1, 1993, and biennially thereafter, the following reports:

"(1) A comprehensive report regarding the status of health personnel according to profession, including a report regarding the analytic and descriptive studies conducted under this section.

"(2) A comprehensive report regarding applicants to, and students enrolled in, programs and institutions for the training of health personnel, including descriptions and analyses of student indebtedness, student need for financial assistance, financial resources to meet the needs of students, student career choices such as practice specialty and geographic location and the relationship, if any, between student indebtedness and career choices.

"(e) **REQUIREMENTS REGARDING PERSONAL DATA.**—

"(1) **IN GENERAL.**—The Secretary and each program entity shall in securing and maintaining any record of individually identifiable personal data (hereinafter in this subsection referred to as 'personal data') for purposes of this section—

"(A) inform any individual who is asked to supply personal data whether he is legally required, or may refuse, to supply such data and inform him of any specific consequences, known to the Secretary or program entity, as the case may be, of providing or not providing such data;

"(B) upon request, inform any individual if he is the subject of personal data secured or maintained by the Secretary or program entity, as the case may be, and make the data available to him in a form comprehensible to him;

"(C) assure that no use is made of personal data which use is not within the purposes of this section unless an informed consent has been obtained from the individual who is the subject of such data; and

"(D) upon request, inform any individual of the use being made of personal data respecting such individual and of the identity of the individuals and entities which will use the data and their relationship to the programs under this section.

"(2) **CONSENT AS PRECONDITION TO DISCLOSURE.**—Any entity which maintains a record of personal data and which receives a request from the Secretary or a program entity for such data for purposes of this section shall not transfer any such data to the Secretary or to a program entity unless the individual whose personal data is to be so transferred gives an informed consent for such transfer.

"(3) **DISCLOSURE BY SECRETARY.**—

"(A) Notwithstanding any other provision of law, personal data collected by the Secretary or any program entity under this section may not be made available or disclosed by the Secretary or any program entity to any person other than the individual who is the subject of such data unless (i) such person requires such data for purposes of this section, or (ii) in response to a demand for such data made by means of compulsory legal process. Any individual who is the subject of personal data made available or disclosed under clause (ii) shall be notified of the demand for such data.

"(B) Subject to all applicable laws regarding confidentiality, only the data collected by the Secretary under this section which is not personal data shall be made available to bona fide researchers and policy analysts (including the Congress) for the purposes of assisting in the conduct of studies respecting health professions personnel.

"(4) **DEFINITION.**—For purposes of this subsection, the term 'program entity' means any public or private entity which collects, compiles, or analyzes health professions data under a grant, contract, or other arrangement with the Secretary under this section.

"(g) **TECHNICAL ASSISTANCE.**—The Secretary shall provide technical assistance to the States and political subdivisions thereof in the development of systems (including model laws) concerning confidentiality and comparability of data collected pursuant to this section.



**"(h) GRANTS AND CONTRACTS REGARDING NONPROFIT ENTITIES.—**

**"(1) IN GENERAL.**—In carrying out subsection (a), the Secretary may make grants, or enter into contracts and cooperative agreements with, and provide technical assistance to, any nonprofit entity in order to establish a uniform allied health professions data reporting system to collect, compile, and analyze data on the allied health professions personnel.

**"(2) REPORTS.**—With respect to reports required in subsection (d), each such report made on or after October 1, 1991, shall include a description and analysis of data collected pursuant to paragraph (1).

**"SEC. 793. STATISTICS; ANNUAL REPORT.**

**"(a) STATISTICS AND OTHER INFORMATION.**—The Secretary shall, in coordination with the National Center for Health Statistics (established under section 306), continuously develop, publish, and disseminate on a nationwide basis statistics and other information respecting public and community health personnel, including—

**"(1)** detailed descriptions of the various types of activities in which public and community health personnel are engaged,

**"(2)** the current and anticipated needs for the various types of public and community health personnel, and

**"(3)** the number, employment, geographic locations, salaries, and surpluses and shortages of public and community health personnel, the educational and licensure requirements for the various types of such personnel, and the cost of training such personnel.

**"(b) REQUIREMENTS REGARDING PERSONAL DATA.—**

**"(1) IN GENERAL.**—The Secretary and each program entity shall in securing and maintaining any record of individually identifiable personal data (in this subsection referred to as 'personal data') for purposes of this section—

**"(A)** inform any individual who is asked to supply personal data whether he is legally required, or may refuse, to supply such data and inform him of any specific consequences, known to the Secretary or program entity as the case may be, of providing or not providing such data;

**"(B)** upon request, inform any individual if he is the subject of personal data secured or maintained by the Secretary or program entity, as the case may be, and make the data available to him in a form comprehensible to him;

**"(C)** assure that no use is made of personal data which is not within the purposes of this section unless an informed consent has been obtained from the individual who is the subject of such data; and

**"(D)** upon request, inform any individual of the use being made of personal data respecting such individual and of the identity of the individuals and entities which will use the data and their relationship to the activities conducted under this section.

**"(2) CONSENT AS PRECONDITION TO TRANSFER OF INFORMATION.**—Any entity which maintains a record of personal data and which receives a request from the Secretary or a program

entity to use such data for purposes of this section shall not transfer any such data to the Secretary or to a program entity unless the individual whose personal data is to be so transferred gives an informed consent for such transfer.

**"(3) DISCLOSURE BY SECRETARY.—**

**"(A)** Notwithstanding any other provision of law, personal data collected by the Secretary or any program entity for purposes of this section may not be made available or disclosed by the Secretary or any program entity to any person other than the individual who is the subject of such data unless (i) such person requires such data for purposes of this section, or (ii) in response to a demand for such data made by means of compulsory legal process. Any individual who is the subject of personal data made available or disclosed under clause (ii) shall be notified of the demand for such data.

**"(B)** Subject to all applicable laws regarding confidentiality, only the data collected by the Secretary under this section which is not personal data shall be made available to bona fide researchers and policy analysts (including the Congress) for the purposes of assisting in the conduct of studies respecting health professions personnel.

**"(4) DEFINITIONS.—**For purposes of this subsection, the term 'program entity' means any public or private entity which collects, compiles, or analyzes health professions data under an arrangement with the Secretary for purposes of this section.

**"(c) REPORT.—**The Secretary shall submit biennially to the Committee on Energy and Commerce of the House of Representatives and to the Committee on Labor and Human Resources of the Senate a report on—

**"(1)** the statistics and other information developed pursuant to subsection (a); and

**"(2)** the activities conducted under subparts I and II of part D, including an evaluation of such activities.

Such report shall contain such recommendations for legislation as the Secretary determines are needed to improve the programs authorized under such subparts. The Office of Management and Budget may review such report before its submission to such Committees, but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to such Committees its comments respecting such report.

**"(d) DEFINITIONS.—**For purposes of this section, the term 'public and community health personnel' means individuals who are engaged in—

**"(1)** the planning, development, monitoring, or management of health care or health care institutions, organizations, or systems,

**"(2)** research on health care development and the collection and analysis of health statistics, data on the health of population groups, and any other health data,

**"(3)** the development and improvement of individual and community knowledge of health (including environmental health and preventive medicine) and the health care system, or

"(4) the planning and development of a healthful environment and control of environmental health hazards.

**"SEC. 794. PROHIBITION AGAINST DISCRIMINATION ON BASIS OF SEX.**

"The Secretary may not make a grant, loan guarantee, or interest subsidy payment under this title to, or for the benefit of, any school of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, pharmacy, podiatric medicine, or public health or any training center for allied health personnel, or graduate program in clinical psychology, unless the application for the grant, loan guarantee, or interest subsidy payment contains assurances satisfactory to the Secretary that the school or training center will not discriminate on the basis of sex in the admission of individuals to its training programs. The Secretary may not enter into a contract under this title with any such school or training center unless the school, training center, or graduate program furnishes assurances satisfactory to the Secretary that it will not discriminate on the basis of sex in the admission of individuals to its training programs. In the case of a school of medicine which—

"(1) on the date of the enactment of this sentence is in the process of changing its status as an institution which admits only female students to that of an institution which admits students without regard to their sex, and

"(2) is carrying out such change in accordance with a plan approved by the Secretary,

the provisions of the preceding sentences of this section shall apply only with respect to a grant, contract, loan guarantee, or interest subsidy to, or for the benefit of such a school for a fiscal year beginning after June 30, 1979.

**"SEC. 795. OBLIGATED SERVICE REGARDING CERTAIN PROGRAMS.**

"(a) **IN GENERAL.**—In the case of any program under this title under which a scholarship, stipend, or other financial assistance is provided to an individual with respect to education as a health professional (including a program that provides for the repayment of loans), if the program provides that the provision of the financial assistance involved is subject to this section, then the assistance may be provided only if the individual makes agreements as follows:

"(1) The individual will complete the program of education with respect to which such assistance is provided (in the case of assistance provided for purposes other than the repayment of loans).

"(2) In the case of an individual who receives such assistance with respect to attendance at a school of medicine or osteopathic medicine, the individual will—

"(A) enter and complete a residency training program in a specialty in primary health care not later than 4 years after completing the program of education described in paragraph (1); and

"(B) practice in the specialty for 5 years after completing the residency training program.

"(3) in the case of an individual who receives such assistance with respect to attendance at a school of dentistry, the individual will practice in general dentistry for 5 years (exclusive

of any period during which the individual is attending a residency training program in general dentistry).

"(4) Subsection (b) applies with respect to the breach of agreements made under any of paragraphs (1) through (3).

**"(b) BREACH OF AGREEMENTS.—**

"(1) **IN GENERAL.**—For purposes of subsection (a)(4), the following applies:

"(A) In the case of a program under this title that provides financial assistance for attendance at a program of education in a health profession, the individual is liable to the Federal Government for the amount of the award (including amounts provided for expenses related to such attendance), and for interest on such amount at the maximum legal prevailing rate, if the individual—

"(i) fails to maintain an acceptable level of academic standing in the program of education (as indicated by such program in accordance with requirements established by the Secretary);

"(ii) is dismissed from the program for disciplinary reasons; or

"(iii) voluntarily terminates the program.

"(B) The individual is liable to the Federal Government for the amount of the award (including amounts provided for expenses related to such attendance), and for interest on such amount at the maximum legal prevailing rate, if the individual fails to comply with the agreement made under subsection (a)(2).

"(2) **WAIVER OR SUSPENSION OF LIABILITY.**—In the case of an individual making agreements under subsection (a), the Secretary shall provide for the waiver or suspension of liability under paragraph (1) if compliance by the individual with the agreements involved is impossible, or would involve extreme hardship to the individual, and if enforcement of the agreements with respect to the individual would be unconscionable.

"(3) **DATE CERTAIN FOR RECOVERY.**—Subject to paragraph (2), any amount that the Federal Government is entitled to recover under paragraph (1) shall be paid to the United States not later than the expiration of the three-year period beginning on the date the United States becomes so entitled.

**"SEC. 798. CERTAIN GENERAL PROVISIONS.**

"(a) **PEER REVIEW.**—Each application for a grant or contract under this title shall be submitted to a peer review group for an evaluation of the merits of the proposals made in the application. The Secretary may not approve such an application unless a peer review group has recommended the application for approval. Each peer review group under this subsection shall be composed principally of individuals who are not officers or employees of the Federal Government. This subsection shall be carried out by the Secretary acting through the Administrator of the Health Resources and Services Administration.

"(b) **DELEGATION OF AUTHORITY OF SECRETARY.**—The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central or regional office or

offices of the Department, except that the authority to make such a grant, enter into such a contract, continue such a grant or contract, or modify such a contract, shall not be delegated to any administrator of, or officer in, a regional office or offices of the Department.

"(c) **DIFFERENTIAL TUITION AND FEES.**—The Secretary may not enter into a contract with, or make a grant, loan guarantee, or interest subsidy payment under this title or title VIII, to or for the benefit of, any school, program, or training center if the tuition levels or educational fees at such school, program, or training center are higher for certain students solely on the basis that such students are the recipients of traineeships, loans, loan guarantees, service scholarships, or interest subsidies from the Federal Government.

"(d) **APPLICABILITY OF CERTAIN PROVISIONS ON CONTRACTS.**—Contracts authorized by this title may be entered into without regard to section 3324 of title 31, United States Code, or section 3709 of the Revised Statutes (41 U.S.C. 5).

"(e) **RECORDS AND AUDITS.**—

"(1) **MAINTENANCE OF RECORDS.**—

"(A) Each entity which receives a grant, loan, loan guarantee, or interest subsidy or which enters into a contract with the Secretary under this title, shall establish and maintain such records as the Secretary shall by regulation or order require.

"(B) The Secretary may specify, by regulation, the form and manner in which such records, required by subparagraph (A), shall be established and maintained.

"(2) **BIENNIAL AUDITS.**—Each entity which received a grant or entered into a contract under this title shall provide for a biennial financial audit of any books, accounts, financial records, files, and other papers and property which relate to the disposition or use of the funds received under such grant or contract and such other funds received by or allocated to the project or undertaking for which such grant or contract was made. For purposes of assuring accurate, current, and complete disclosure of the disposition or use of the funds received, each such audit shall be conducted in accordance with such requirements concerning the individual or agency which conducts the audit, and such standards applicable to the performance of the audit, as the Secretary may by regulation provide. A report of each such audit shall be filed with the Secretary at such time and in such manner as he may require.

"(3) **APPLICABILITY TO STUDENTS.**—A student recipient of a scholarship, traineeship, loan, or loan guarantee under this title shall not be required to establish or maintain the records required in paragraph (1) or provide for an audit required in paragraph (2).

"(4) **AVAILABILITY OF DOCUMENTS, ETC.**—

"(A) Each entity which is required to establish and maintain records or to provide for an audit under this subsection shall make such books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical repro-



duction on or off the premises of such entity upon a reasonable request therefor.

"(B) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the authority to carry out the purposes of this paragraph.

"(f) MISCELLANEOUS PROVISIONS.—

"(1) PAYMENTS UNDER GRANTS.—Grants made under this title may be paid (A) in advance or by way of reimbursement, (B) at such intervals and on such conditions as the Secretary may find necessary, and (C) with appropriate adjustments on account of overpayments or underpayments previously made.

"(2) APPLICATIONS FOR GRANTS AND CONTRACTS.—No grant may be made or contract entered into under this title unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(3) ASSURANCES.—Whenever in this title an applicant is required to provide assurances to the Secretary, or an application is required to contain assurances or be supported by assurances, the Secretary shall determine before approving the application that the assurances provided are made in good faith.

"(4) TECHNICAL ASSISTANCE.—Funds appropriated under this title may be used by the Secretary to provide technical assistance in relation to any of the authorities under this title.

"(5) GRADUATES OF FOREIGN MEDICAL SCHOOLS.—The Secretary may make an award of a grant, cooperative agreement, or contract under this title to an entity (including a school) that provides graduate training in the health professions only if the entity agrees that, in considering applications for admissions to a program of such training, the entity will not refuse to consider an application solely on the basis that the application is submitted by a graduate of a foreign medical school. This paragraph may not be construed as establishing any private right of action.

"SEC. 799. DEFINITIONS.

"For purposes of this title:

"(1A) The terms 'school of medicine', 'school of dentistry', 'school of osteopathic medicine', 'school of pharmacy', 'school of optometry', 'school of podiatric medicine', 'school of veterinary medicine', 'school of public health', and 'school of chiropractic' mean an accredited public or nonprofit private school in a State that provides training leading, respectively, to a degree of doctor of medicine, a degree of doctor of dentistry or an equivalent degree, a degree of doctor of osteopathy, a degree of bachelor of science in pharmacy or an equivalent degree or a degree of doctor of pharmacy or an equivalent degree, a degree of doctor of optometry or an equivalent degree, a degree of doctor of podiatric medicine or an equivalent degree, a degree of doctor of veterinary medicine or an equivalent degree, a graduate degree in public health or an equivalent degree, and a degree of doctor

of chiropractic or an equivalent degree, and including advanced training related to such training provided by any such school.

"(B) The terms 'graduate program in health administration' and 'graduate program in clinical psychology' mean an accredited graduate program in a public or nonprofit private institution in a State that provides training leading, respectively, to a graduate degree in health administration or an equivalent degree and a doctoral degree in clinical psychology or an equivalent degree.

"(C) The terms 'graduate program in clinical social work' and 'graduate program in marriage and family therapy' mean an accredited graduate program in a public or nonprofit private institution in a State that provides training, respectively, in a concentration in health or mental health care leading to a graduate degree in social work and a concentration leading to a graduate degree in marriage and family therapy.

"(D) The term 'graduate program in mental health practice' means a graduate program in clinical psychology, clinical social work, or marriage and family therapy.

"(E) The term 'accredited', when applied to a school of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, or chiropractic, or a graduate program in health administration, clinical psychology, clinical social work, or marriage and family therapy, means a school or program that is accredited by a recognized body or bodies approved for such purpose by the Secretary of Education, except that a new school or program that, by reason of an insufficient period of operation, is not, at the time of application for a grant or contract under this title, eligible for accreditation by such a recognized body or bodies, shall be deemed accredited for purposes of this title, if the Secretary of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school or program will meet the accreditation standards of such body or bodies prior to the beginning of the academic year following the normal graduation date of the first entering class in such school or program.

"(2) The term 'teaching facilities' means areas dedicated for use by students, faculty, or administrative or maintenance personnel for clinical purposes, research activities, libraries, classrooms, offices, auditoriums, dining areas, student activities, or other related purposes necessary for, and appropriate to, the conduct of comprehensive programs of education. Such term includes interim facilities but does not include off-site improvements or living quarters.

"(3) The term 'program for the training of physician assistants' means an educational program that—

"(A) has as its objective the education of individuals who will, upon completion of their studies in the program, be qualified to provide primary health care under the supervision of a physician; and

"(B) meets regulations prescribed by the Secretary in accordance with section 750(b).

"(4) The term 'school of allied health' means a public or nonprofit private college, junior college, or university or hospital-based educational entity that—

"(A) provides, or can provide, programs of education to enable individuals to become allied health professionals or to provide additional training for allied health professionals;

"(B) provides training for not less than a total of twenty persons in the allied health curricula (except that this subparagraph shall not apply to any hospital-based educational entity);

"(C) includes or is affiliated with a teaching hospital; and

"(D) is accredited by a recognized body or bodies approved for such purposes by the Secretary of Education, or which provides to the Secretary satisfactory assurance by such accrediting body or bodies that reasonable progress is being made toward accreditation.

"(5) The term 'allied health professionals' means a health professional (other than a registered nurse or physician assistant)—

"(A) who has received a certificate, an associate's degree, a bachelor's degree, a master's degree, a doctoral degree, or postbaccalaureate training, in a science relating to health care;

"(B) who shares in the responsibility for the delivery of health care services or related services, including—

"(i) services relating to the identification, evaluation, and prevention of disease and disorders;

"(ii) dietary and nutrition services;

"(iii) health promotion services;

"(iv) rehabilitation services; or

"(v) health systems management services; and

"(C) who has not received a degree of doctor of medicine, a degree of doctor of osteopathy, a degree of doctor of dentistry or an equivalent degree, a degree of doctor of veterinary medicine or an equivalent degree, a degree of doctor of optometry or an equivalent degree, a degree of doctor of podiatric medicine or an equivalent degree, a degree of bachelor of science in pharmacy or an equivalent degree, a degree of doctor of pharmacy or an equivalent degree, a graduate degree in public health or an equivalent degree, a degree of doctor of chiropractic or an equivalent degree, a graduate degree in health administration or an equivalent degree, a doctoral degree in clinical psychology or an equivalent degree, or a degree in social work or an equivalent degree.

"(6) The term 'medically underserved community' means an urban or rural area or population that—

"(A) is eligible for designation under section 332 as a health professional shortage area;

"(B) is eligible to be served by a migrant health center under section 329, a community health center under section 330, a grantee under section 340 (relating to homeless indi-

viduals, or a grantee under section 340A (relating to residents of public housing); or

"(C) has a shortage of personal health services, as determined under criteria issued by the Secretary under section 1861(aa)(2) of the Social Security Act (relating to rural health clinics).

"(7) The term 'Department' means the Department of Health and Human Services.

"(8) The term 'nonprofit' refers to the status of an entity owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(9) The term 'State' includes, in addition to the several States, only the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(10)(A) Subject to subparagraph (B), the term 'underrepresented minorities' means, with respect to a health profession, racial and ethnic populations that are underrepresented in the health profession relative to the number of individuals who are members of the population involved.

"(B) For purposes of subparagraph (A), Asian individuals shall be considered by the various subpopulations of such individuals."

#### SEC. 103. EFFECTIVE DATE.

The amendment made by section 102 takes effect on the date of the enactment of this Act, except that section 708 of the Public Health Service Act, as added by section 102 of this Act, takes effect January 1, 1993. Until such date, section 732(c) of the Public Health Service Act, as in effect on the day before the date of the enactment of this Act, continues in effect in lieu of such section 708.

## TITLE II—NURSE EDUCATION

#### SEC. 201. SHORT TITLE.

This title may be referred to as the Nurse Education and Practice Improvement Amendments of 1992.

#### SEC. 202. SPECIAL PROJECT GRANTS AND CONTRACTS.

(a) *IN GENERAL.*—Section 820 of the Public Health Service Act (42 U.S.C. 296k) is amended to read as follows:

##### "SPECIAL PROJECT GRANTS AND CONTRACTS

"SEC. 820. (a) *EXPANSION OF ENROLLMENT IN PROFESSIONAL NURSING PROGRAMS.*—

"(1) *IN GENERAL.*—The Secretary may make grants to and enter into contracts with public and nonprofit private schools of nursing with programs of education in professional nursing for the purpose of assisting the schools in increasing the number of students enrolled in such programs. Such a grant or contract may be made only with respect to such programs that are in op-

eration on the date of the enactment of the Health Professions Education Extension Amendments of 1992.

"(2) **PREFERENCE.**—In making awards of grants and contracts under paragraph (1), the Secretary shall give preference to any qualified school that provides students of the school with clinical training in the provision of primary health care in publicly-funded—

"(A) urban or rural outpatient facilities, home health agencies, or public health agencies; or

"(B) rural hospitals.

"(3) **MATCHING FUNDS.**—

"(A) With respect to the costs of the program to be carried out by a school pursuant to paragraph (1), the Secretary may provide an award of a grant or contract under such paragraph only if the school agrees to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that—

"(i) for the first fiscal year for which the school receives such an award, is not less than \$1 for each \$9 of Federal funds provided through the award (10 percent of such costs);

"(ii) for any second such fiscal year, is not less than \$1 for each \$3 of Federal funds provided through the award (25 percent of such costs);

"(iii) for any third such fiscal year, is not less than \$1 for each \$1 of Federal funds provided through the award (50 percent of such costs); and

"(iv) for any fourth or fifth such fiscal year, is not less than \$3 for each \$1 of Federal funds provided through the award (75 percent of such costs).

"(B) Non-Federal contributions required in subparagraph (A) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

"(b) **PRIMARY HEALTH CARE IN NONINSTITUTIONAL SETTINGS.**—

"(1) **IN GENERAL.**—The Secretary may make grants to and enter into contracts with public and nonprofit private schools of nursing for the establishment or expansion of nursing practice arrangements in noninstitutional settings to demonstrate methods to improve access to primary health care in medically underserved communities.

"(2) **OPERATION AND STAFFING OF PROGRAMS.**—The Secretary may make an award of a grant or contract under paragraph (1) only if the school involved agrees that the program carried out with the award will be operated and staffed by the faculty and students of the school.

"(3) **DESIGN.**—The Secretary may make an award of a grant or contract under paragraph (1) only if the program to be carried out under such paragraph by the school involved is designed to provide at least 25 percent of the students of the



school with a structured clinical experience in primary health care.

"(c) **CONTINUING EDUCATION FOR NURSES IN MEDICALLY UNDERSERVED COMMUNITIES.**—The Secretary may make grants to and enter into contracts with public and nonprofit private entities for the purpose of providing continuing education for nurses serving in medically underserved communities.

"(d) **LONG-TERM CARE FELLOWSHIPS FOR CERTAIN PARAPROFESSIONALS.**—

"(1) **IN GENERAL.**—The Secretary may make grants to and enter into contracts with public and nonprofit private entities that operate accredited programs of education in professional nursing, or State-board approved programs of practical or vocational nursing, for the purpose of providing fellowships to individuals described in paragraph (2) for attendance in such programs.

"(2) **ELIGIBLE INDIVIDUALS.**—The individuals referred to in paragraph (1) are individuals who are employed by nursing facilities or home health agencies as nursing paraprofessionals.

"(3) **PREFERENCE FOR SCHOOLS WITH RAPID TRANSITION PROGRAMS.**—In making awards of grants and contracts under paragraph (1), the Secretary shall give preference to any qualified applicant operating an accredited program of education in professional nursing that provides for the rapid transition to status as a professional nurse from status as a nursing paraprofessional.

"(4) **PREFERENCE IN AWARD OF FELLOWSHIPS.**—The Secretary may make an award of a grant or contract under paragraph (1) only if the applicant involved agrees that, in providing fellowships under the award, the applicant will give preference to individuals described in paragraph (2) who—

"(A) are economically disadvantaged individuals, particularly such individuals who are members of a minority group that is underrepresented among registered nurses; or

"(B) are employed by a nursing facility that will assist in paying the costs or expenses described in paragraph (5)(A) with respect to the individuals.

"(5) **USE OF AWARD.**—The Secretary may make an award of a grant or contract under paragraph (1) only if the applicant involved agrees that fellowships provided with the award will pay all or part of the costs of—

"(A) the tuition, books, and fees of the program of nursing respect to which the fellowship is provided; and

"(B) reasonable living expenses of the individual during the period for which the fellowship is provided.

"(6) **DEFINITION.**—For purposes of this section:

"(A) The term 'home health agency' has the meaning given such term in section 1861 of the Social Security Act.

"(B) The term 'nursing facility' has the meaning given such term in section 1919 of the Social Security Act.

"(e) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there is authorized to be appropriated \$10,500,000 for each of the fiscal years 1993 and 1994."

(b) **DEFINITION OF MEDICALLY UNDERSERVED COMMUNITIES.**—Section 853 of the Public Health Service Act (42 U.S.C. 298b) is amended by adding at the end the following new paragraph:

"(1) The term 'medically underserved community' has the meaning given such term in section 799."

(c) **SAVINGS PROVISION FOR CURRENT PROJECTS.**—In the case of any authority for making awards of grants or contracts that is terminated by the amendment made by subsection (a), the Secretary of Health and Human Services may, notwithstanding the termination of the authority, continue in effect any grant or contract made under the authority that is in effect on the day before the date of the enactment of this Act, subject to the duration of any such grant or contract not exceeding the period determined by the Secretary in first approving such financial assistance, or in approving the most recent request made (before the date of such enactment) for continuance of such assistance, as the case may be.

#### **SEC. 203. ADVANCED NURSE EDUCATION.**

Section 821 of the Public Health Service Act (42 U.S.C. 296l) is amended to read as follows:

##### **"ADVANCED NURSE EDUCATION**

"SEC. 821. (a) **IN GENERAL.**—The Secretary may make grants to and enter into contracts with public and nonprofit private collegiate schools of nursing to meet the costs of projects that, in the case of programs described in subsection (b)—

"(1) plan, develop, and operate new such programs; or

"(2) significantly expand existing such programs.

"(b) **AUTHORIZED PROGRAMS.**—The programs referred to in subsection (a) are programs leading to advanced degrees that prepare nurses to serve as nurse educators or public health nurses, or in other clinical nurse specialties determined by the Secretary to require advanced education.

"(c) **FUNDING.**—

"(1) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there are authorized to be appropriated \$12,000,000 for each of the fiscal years 1993 and 1994.

"(2) **LIMITATION.**—Of the amounts appropriated under paragraph (1), the Secretary may not obligate more than 10 percent for providing grants or contracts under subsection (a) for programs leading to doctoral degrees."

#### **SEC. 204. NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS.**

Section 822 of the Public Health Service Act (42 U.S.C. 296m) is amended to read as follows:

##### **"NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS**

"SEC. 822. (a) **IN GENERAL.**—The Secretary may make grants to and enter into contracts with public and nonprofit private schools of nursing or other public and nonprofit private entities to meet the costs of projects that, with respect to programs described in subsection (b)—

"(1) plan, develop, and operate new such programs; or

"(2) maintain or significantly expand existing such programs.

**"(b) AUTHORIZED PROGRAMS.—**

"(1) **IN GENERAL.**—The programs referred to in subsection (a) are educational programs for registered nurses (irrespective of the type of school of nursing in which the nurses received their training) that—

"(A) meet guidelines prescribed by the Secretary in accordance with paragraph (2); and

"(B) have as their objective the education of nurses who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities and other health care institutions.

"(2) **GUIDELINES.**—After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for programs described in paragraph (1). Such guidelines shall, as a minimum, require that such a program—

"(A) extend for at least one academic year and consist of—

"(i) supervised clinical practice directed toward preparing nurses to deliver primary health care; and

"(ii) at least four months (in the aggregate) of classroom instruction that is so directed; and

"(B) have an enrollment of not less than six full-time equivalent students.

**"(c) CERTAIN CONSIDERATIONS IN MAKING AWARDS.—**

"(1) **PREFERENCE.**—In making awards of grants and contracts under subsection (a), the Secretary shall give preference to any qualified applicant that, with respect to programs described in subsection (b), agree to expend the award to plan, develop, and operate new such programs or to significantly expand existing such programs.

"(2) **SPECIAL CONSIDERATION.**—In making awards of grants and contracts under subsection (a), the Secretary shall give special consideration to qualified applicants that agree to expend the award to train individuals as nurse practitioners and nurse midwives who will practice in health professional shortage areas designated under section 332.

"(d) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there is authorized to be appropriated \$20,000,000 for each of the fiscal years 1993 and 1994."

**SEC. 205. SPECIAL PROJECTS REGARDING DISADVANTAGED INDIVIDUALS.**

Section 827(c) of the Public Health Service Act (42 U.S.C. 296r(c)) is amended

(1) by striking "and" after "1990,"; and

(2) by inserting before the period the following: ", \$5,000,000 for fiscal year 1993, and \$6,000,000 for fiscal year 1994".

**SEC. 206. TRAINEESHIPS FOR ADVANCED EDUCATION OF PROFESSIONAL NURSES.**

Section 830 of the Public Health Service Act (42 U.S.C. 297) is amended to read as follows:

**"TRAINEESHIPS FOR ADVANCED EDUCATION OF PROFESSIONAL NURSES**

**"SEC. 830. (a) IN GENERAL.**—The Secretary may make grants to public and nonprofit private entities to meet the cost of traineeships for individuals in advanced-degree programs in order to educate the individuals to serve in and prepare for practice as nurse practitioners, nurse midwives, nurse educators, public health nurses, or in other clinical nursing specialties determined by the Secretary to require advanced education.

**"(b) SPECIAL CONSIDERATION IN MAKING GRANTS.**—In making grants for traineeships under subsection (a), the Secretary shall give special consideration to applications for traineeship programs that conform to guidelines established by the Secretary under section 822(b)(2).

**"(c) PREFERENCE IN PROVISION OF TRAINEESHIPS.**—The Secretary may make a grant under subsection (a) only if the applicant involved agrees that, in providing traineeships under such subsection, the applicant will give preference to individuals who are residents of health professional shortage areas designated under section 332.

**"(d) ELIGIBILITY OF INDIVIDUALS IN MASTER'S DEGREE PROGRAMS.**—The Secretary may make a grant under subsection (a) only if the applicant involved agrees that the applicant will not provide a traineeship under such subsection to an individual enrolled in a masters of nursing program unless the individual has completed basic nursing preparation, as determined by the applicant.

**"(e) USE OF GRANT.**—The Secretary may make a grant under subsection (a) only if the applicant involved agrees that traineeships provided with the grant will pay all or part of the costs of—

**"(A)** the tuition, books, and fees of the program of nursing with respect to which the traineeship is provided; and

**"(B)** reasonable living expenses of the individual during the period for which the traineeship is provided.

**"(f) FUNDING.**—

**"(1) AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there is authorized to be appropriated \$20,000,000 for each of the fiscal years 1993 and 1994.

**"(2) LIMITATION REGARDING CERTAIN TRAINEESHIPS.**—Of the amounts appropriated under paragraph (1) for a fiscal year, the Secretary may not obligate more than 10 percent for providing traineeships under subsection (a) for individuals in doctoral degree programs."

**SEC. 207. NURSE ANESTHETISTS.**

**(a) PREFERENCES REGARDING GRANTS AND TRAINEESHIPS; USE OF GRANT.**—Section 831(a) of the Public Health Service Act (42 U.S.C. 297-1(a)) is amended—

**(1)** by striking paragraph (2); and

**(2)** by inserting after paragraph (1) the following paragraphs:

"(2)(A) In making grants under paragraph (1), the Secretary shall give preference to qualified applicants carrying out traineeship programs whose participants gain significant experience in providing health services at rural health facilities.

"(B) The Secretary may make a grant under paragraph (1) only if the institution involved agrees that, in providing traineeships under such paragraph, the institution will give preference to individuals who are residents of health professional shortage areas designated under section 332.

"(3) The Secretary may make a grant under paragraph (1) only if the applicant involved agrees that traineeships provided with the grant will pay all or part of the costs of—

"(A) the tuition, books, and fees of the program of nursing with respect to which the traineeship is provided; and

"(B) reasonable living expenses of the individual during the period for which the traineeship is provided."

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 831(c) of the Public Health Service Act (42 U.S.C. 297-1(c)) is amended in the first sentence by inserting before the period the following: "; \$3,000,000 for fiscal year 1993, and \$4,000,000 for fiscal year 1994".

#### SEC. 208. STUDENT LOANS.

(a) ALLOTMENTS AND PAYMENTS OF FEDERAL CAPITAL CONTRIBUTIONS.—Section 838(a)(3) of the Public Health Service Act (42 U.S.C. 297d(a)(3)) is amended—

(1) by striking subparagraph (B); and

(2) in subparagraph (A)—

(A) in the first sentence, by striking "available for allotment" and all that follows and inserting the following: "available for allotment until expended.";

(B) in the second sentence, by striking "this subpart, except" and all that follows and inserting "this subpart."; and

(C) by striking the subparagraph designation.

(b) DISTRIBUTION OF ASSETS FROM LOAN FUNDS.—Section 839 of the Public Health Service Act (42 U.S.C. 297e) is amended—

(1) in subsection (a), by striking out "1991" and inserting in lieu thereof "1996"; and

(2) in subsections (a) and (b), by striking "1994" each place such term appears and inserting "1999".

#### SEC. 209. CERTAIN GENERALLY APPLICABLE PROVISIONS.

Title VIII of the Public Health Service Act (42 U.S.C. 296k et seq.) is amended by adding at the end the following section:

##### "CERTAIN GENERALLY APPLICABLE PROVISIONS

"SEC. 860. (a) APPLICATION FOR GRANTS, COOPERATIVE AGREEMENTS, OR CONTRACTS.—The Secretary may make an award of a grant, cooperative agreement, or contract under this title only if an application for the award is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out the program authorizing the award.

"(b) DURATION OF ASSISTANCE.—



"(1) *IN GENERAL*.—Subject to paragraph (2), in the case of an award to an entity of a grant, cooperative agreement, or contract under this title, the period during which payments are made to the entity under the award may not exceed 5 years. The provision of payments under the award shall be subject to annual approval by the Secretary of the payments and subject to the availability of appropriations for the fiscal year involved to make the payments. This paragraph may not be construed as limiting the number of awards under the program involved that may be made to the entity.

"(2) *LIMITATION*.—In the case of an award to an entity of a grant, cooperative agreement, or contract under this title, paragraph (1) shall apply only to the extent not inconsistent with any other provision of this title that relates to the period during which payments may be made under the award.

"(c) *BREACH OF AGREEMENTS FOR OBLIGATED SERVICE*.—

"(1) *IN GENERAL*.—In the case of any program under this title under which an individual makes an agreement to provide health services for a period of time in accordance with such program in consideration of receiving an award of Federal funds regarding education as a nurse (including an award for the repayment of loans), the following applies if the agreement provides that this subsection is applicable:

"(A) In the case of a program under this title that makes an award of Federal funds for attending an accredited program of nursing (in this subsection referred to as 'nursing program'), the individual is liable to the Federal Government for the amount of such award (including amounts provided for expenses related to such attendance), and for interest on such amount at the maximum legal prevailing rate, if the individual—

"(i) fails to maintain an acceptable level of academic standing in the nursing program (as indicated by the program in accordance with requirements established by the Secretary);

"(ii) is dismissed from the nursing program for disciplinary reasons; or

"(iii) voluntarily terminates the nursing program.

"(B) The individual is liable to the Federal Government for the amount of such award (including amounts provided for expenses related to such attendance), and for interest on such amount at the maximum legal prevailing rate, if the individual fails to provide health services in accordance with the program under this title for the period of time applicable under the program.

"(2) *WAIVER OR SUSPENSION OF LIABILITY*.—In the case of an individual or health facility making an agreement for purposes of paragraph (1), the Secretary shall provide for the waiver or suspension of liability under such paragraph if compliance by the individual or the health facility, as the case may be, with the agreements involved is impossible, or would involve extreme hardship to the individual or facility, and if enforcement of the agreements with respect to the individual or facility would be unconscionable.

"(3) **DATE CERTAIN FOR RECOVERY.**—Subject to paragraph (2), any amount that the Federal Government is entitled to recover under paragraph (1) shall be paid to the United States not later than the expiration of the three-year period beginning on the date the United States becomes so entitled.

"(4) **AVAILABILITY.**—Amounts recovered under paragraph (1) with respect to a program under this title shall be available for the purposes of such program, and shall remain available for such purposes until expended.

"(d) **PEER REVIEW REGARDING CERTAIN PROGRAMS.**—Each application for a grant or contract under any of sections 821, 822, 830, and 831 shall be submitted to a peer review group for an evaluation of the merits of the proposals made in the application. The Secretary may not approve such an application unless a peer review group has recommended the application for approval. Each peer review group under this subsection shall be composed principally of individuals who are not officers or employees of the Federal Government. This subsection shall be carried out by the Secretary acting through the Administrator of the Health Resources and Services Administration.

"(e) **PREFERENCES AND REQUIRED INFORMATION IN CERTAIN PROGRAMS.**—

"(1) **PREFERENCES IN MAKING AWARDS.**—

"(A) Subject to subparagraph (B), in awarding grants or contracts under any of sections 821, 822, 830, and 831, the Secretary shall give preference to any qualified applicant that—

"(i) has a high rate for placing graduates in practice settings having the principal focus of serving residents of medically underserved communities; or

"(ii) during the 2-year period preceding the fiscal year for which such an award is sought, has achieved a significant increase in the rate of placing graduates in such settings.

"(B) For purposes of subparagraph (A), the Secretary may not give an applicant preference if the proposal of the applicant is ranked at or below the 20th percentile of proposals that have been recommended for approval by peer review groups under subsection (d).

"(2) **REQUIRED SUBMISSION OF INFORMATION.**—The Secretary may make an award of a grant or contract under any of sections 821, 822, 830, and 831 only if the applicant for the award submits to the Secretary (through the application for the award) the following information regarding the programs of the applicant:

"(A) A description of rotations or preceptorships for students that have the principal focus of providing health care to medically underserved communities.

"(B) The number of faculty on admissions committees who have a clinical practice in community-based ambulatory settings in medically underserved or rural communities.

"(C) With respect to individuals who are from disadvantaged backgrounds or from medically underserved communities, the number of such individuals who are recruited

for academic programs of the applicant, the number of such individuals who are admitted to such programs, and the number of such individuals who graduate from such programs.

"(D) If applicable to the applicant, the number of recent graduates who have chosen careers in primary health care.

"(E) The number of recent graduates whose practices are serving medically underserved communities.

"(F) A description of whether and to what extent the applicant is able to operate without Federal assistance under this title.

"(3) DEFINITION.—For purposes of this subsection, the term 'graduate' means, unless otherwise specified, an individual who has successfully completed all training requirements necessary for full certification in the health profession selected by the individual."

**SEC. 210. DEMONSTRATION PROGRAM REGARDING SERVICE IN CERTAIN HEALTH CARE FACILITIES.**

Part B of title VIII of the Public Health Service Act (42 U.S.C. 297 et seq.) is amended by striking subpart IV.

**SEC. 211. TRANSFER OF LOAN REPAYMENT PROGRAM.**

(a) IN GENERAL.—Part B of title VIII of the Public Health Service Act, as amended by section 210 of this Act, is amended—

(1) in section 836—

(A) by striking subsection (h); and

(B) by redesignating subsections (i) through (k) as subsections (h) through (j), respectively;

(2) by striking section 837A; and

(3) by adding at the end the following subpart:

**"Subpart IV—Loan Repayment Program**

**"LOAN REPAYMENT PROGRAM**

**"SEC. 846. (a) IN GENERAL.—In the case of any individual—**

**"(1) who has received a baccalaureate or associate degree in nursing (or an equivalent degree), a diploma in nursing, or a graduate degree in nursing;**

**"(2) who obtained (A) one or more loans from a loan fund established under subpart II, or (B) any other educational loan for nurse training costs; and**

**"(3) who enters into an agreement with the Secretary to serve as nurse for a period of not less than two years in an Indian Health Service health center, in a Native Hawaiian health center, in a public hospital, in a migrant health center, in a community health center, in a rural health clinic, or in a public or nonprofit private health facility determined by the Secretary to have a critical shortage of nurses,**

**the Secretary shall make payments in accordance with subsection (b), for and on behalf of that individual, on the principal of and interest on any loan of that individual described in paragraph (2) of this subsection which is outstanding on the date the individual**

begins the service specified in the agreement described in paragraph (3) of this subsection.

"(b) **MANNER OF PAYMENTS.**—The payments described in subsection (a) shall be made by the Secretary as follows:

"(1) Upon completion by the individual for whom the payments are to be made of the first year of the service specified in the agreement entered into with the Secretary under subsection (a), the Secretary shall pay 30 percent of the principal of, and the interest on each loan of such individual described in subsection (a)(2) which is outstanding on the date he began such practice.

"(2) Upon completion by that individual of the second year of such service, the Secretary shall pay another 30 percent of the principal of, and the interest on each such loan.

"(3) Upon completion by that individual of a third year of such service, the Secretary shall pay another 25 percent of the principal of, and the interest on each such loan.

"(c) **PAYMENT BY DUE DATE.**—Notwithstanding the requirement of completion of practice specified in subsection (b), the Secretary shall, on or before the due date thereof, pay any loan or loan installment which may fall due within the period of service for which the borrower may receive payments under this subsection, upon the declaration of such borrower, at such times and in such manner as the Secretary may prescribe (and supported by such other evidence as the Secretary may reasonably require), that the borrower is then serving as described by subsection (a)(3), and that the borrower will continue to so serve for the period required (in the absence of this subsection) to entitle the borrower to have made the payments provided by this subsection for such period; except that not more than 85 percent of the principal of any such loan shall be paid pursuant to this subsection.

"(d) **BREACH OF AGREEMENT.**—The Secretary may make payments under subsection (a) on behalf of an individual only if the agreement under such subsection provides that section 860(c) is applicable to the individual.

"(e) **PREFERENCES REGARDING PARTICIPANTS.**—In entering into agreements under subsection (a), the Secretary shall give preference—

"(1) to qualified applicants with the greatest financial need; and

"(2) to qualified applicants that, with respect to health facilities described in such subsection, agree to serve in such health facilities located in geographic areas with a shortage of and need for nurses, as determined by the Secretary.

"(f) **DEFINITIONS.**—For purposes of this section:

"(1) The term "community health center" has the meaning given such term in section 330(a).

"(2) The term "migrant health center" has the meaning given such term in section 329(a)(1).

"(3) The term "rural health clinic" has the meaning given such term in section 1861(aa)(2) of the Social Security Act.

"(g) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of payments under agreements entered into under subsection (a), there

are authorized to be appropriated \$5,000,000 for fiscal year 1993, and \$6,000,000 for fiscal year 1994."

(b) **RULE OF CONSTRUCTION.**—With respect to section 836(h) of the Public Health Service Act, as in effect prior to the date of the enactment of this Act, any agreement entered into under such section that is in effect on the day before such date remains in effect in accordance with the terms of the agreement, notwithstanding the amendment made by subsection (a) of this section.

**SEC. 212. ADVISORY COUNCIL ON NURSES EDUCATION; REVIEW COMMITTEE.**

Section 851 of the Public Health Service Act (42 U.S.C. 298) is amended—

(1) in subsection (a), in the first sentence, by striking "Advisory" and all that follows through "consisting" and inserting the following: "National Advisory Council on Nurse Education and Practice (in this section referred to as the 'Council'), consisting"; and

(2) in the heading for the section, by striking "NURSES EDUCATION;" and inserting "NURSE EDUCATION AND PRACTICE;"

**SEC. 213. EVALUATIONS.**

Section 859(b) of the Public Health Service Act (42 U.S.C. 298b-6(b)) is amended—

(1) by striking subsection (1); and

(2) in paragraph (2)—

(A) by striking "(2)"; and

(B) by striking "not later than" and all that follows through "submit" and inserting the following: "not later than January 10, 1994, and every 2 years thereafter, submit".

## **TITLE III—MISCELLANEOUS PROVISIONS**

**SEC. 301. ADVISORY COUNCIL ON GRADUATE MEDICAL EDUCATION.**

(a) **ESTABLISHMENT; DUTIES.**—There is established the Council on Graduate Medical Education (in this section referred to as the "Council"). The Council shall—

(1) make recommendations to the Secretary of Health and Human Services (in this section referred to as the "Secretary"), and to the Committee on Labor and Human Resources of the Senate, and the Committee on Energy and Commerce of the House of Representatives, with respect to—

(A) the supply and distribution of physicians in the United States;

(B) current and future shortages or excesses of physicians in medical and surgical specialties and subspecialties;

(C) issues relating to foreign medical school graduates;

(D) appropriate Federal policies with respect to the matters specified in subparagraphs (A), (B), and (C), including policies concerning changes in the financing of undergraduate and graduate medical education programs and



changes in the types of medical education training in graduate medical education programs;

(E) appropriate efforts to be carried out by hospitals, schools of medicine, schools of osteopathic medicine, and accrediting bodies with respect to the matters specified in subparagraphs (A), (B), and (C), including efforts for changes in undergraduate and graduate medical education programs; and

(F) deficiencies in, and needs for improvements in, existing data bases concerning the supply and distribution of, and post-graduate training programs for, physicians in the United States and steps that should be taken to eliminate those deficiencies; and

(2) encourage entities providing graduate medical education to conduct activities to voluntarily achieve the recommendations of the Council under paragraph (1)(E).

(b) COMPOSITION.—The Council shall be composed of—

(1) the Assistant Secretary for Health or the designee of the Assistant Secretary;

(2) the Administrator of the Health Care Financing Administration;

(3) the Chief Medical Director of the Department of Veterans Affairs;

(4) 6 members appointed by the Secretary to include representatives of practicing primary care physicians, national and specialty physician organizations, foreign medical graduates, and medical student and house staff associations;

(5) 4 members appointed by the Secretary to include representatives of schools of medicine and osteopathic medicine and public and private teaching hospitals; and

(6) 4 members appointed by the Secretary to include representatives of health insurers, business, and labor.

(c) TERMS OF APPOINTED MEMBERS.—

(1) IN GENERAL; STAGGERED ROTATION.—Members of the Council appointed under paragraphs (4), (5), and (6) of subsection (b) shall be appointed for a term of 4 years, except that the term of office of the members first appointed shall expire, as designated by the Secretary at the time of appointment, 4 at the end of 1 year, 4 at the end of 2 years, 3 at the end of 3 years, and 3 at the end of 4 years.

(2) DATE CERTAIN FOR APPOINTMENT.—The Secretary shall appoint the first members to the Council under paragraphs (4), (5), and (6) of subsection (b) within 60 days after the date of enactment of this section.

(d) CHAIR.—The Council shall elect one of its members as Chairman of the Council.

(e) QUORUM.—Nine members of the Council shall constitute a quorum, but a lesser number may hold hearings.

(f) VACANCIES.—Any vacancy in the Council shall not affect its power to function.

(g) COMPENSATION.—Each member of the Council who is not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily rate prescribed for GS-18 under the General Schedule under section 5332 of title 5, United

*States Code, for each day, including traveltime, such member is engaged in the actual performance of duties as a member of the Council. A member of the Council who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Council shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.*

*(h) CERTAIN AUTHORITIES AND DUTIES.—*

*(1) AUTHORITIES.—In order to carry out the provisions of this section, the Council is authorized to—*

*(A) collect such information, hold such hearings, and sit and act at such times and places, either as a whole or by subcommittee, and request the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Council or such subcommittee may consider available; and*

*(B) request the cooperation and assistance of Federal departments, agencies, and instrumentalities, and such departments, agencies, and instrumentalities are authorized to provide such cooperation and assistance.*

*(2) COORDINATION OF ACTIVITIES.—The Council shall coordinate its activities with the activities of the Secretary under section 792 of the Public Health Service Act. The Secretary shall, in cooperation with the Council and pursuant to the recommendations of the Council, take such steps as are practicable to eliminate deficiencies in the data base established under such section 792 and shall make available in its reports such comprehensive data sets as are developed pursuant to this section.*

*(i) REQUIREMENT REGARDING REPORTS.—In the reports required under subsection (a), the Council shall specify its activities during the period for which the report is made.*

*(j) FINAL REPORT.—Not later than April 1, 1995, the Council shall submit a final report under subsection (a).*

*(k) TERMINATION.—The Council shall terminate September 30, 1995.*

**SEC. 302. COMMISSION ON ALLIED HEALTH.**

*(a) ESTABLISHMENT.—There is established an advisory council to be known as the National Commission on Allied Health (in this section referred to as the 'Commission'), which shall meet at least twice annually until such time as the final report is submitted under subsection (e).*

*(b) DUTIES.—The Commission shall—*

*(1) make recommendations to the Secretary of Health and Human Services (in this section referred to as the "Secretary"), the Committee on Labor and Human Resources of the Senate, and the Committee on Energy and Commerce of the House of Representatives, with respect to—*

*(A) the supply and distribution of allied health personnel throughout the United States;*

*(B) current and future shortages or excesses of allied health personnel, particularly in medically underserved and rural communities;*

(C) priority research needs within the allied health professions;

(D) appropriate Federal policies relating to the matters described in subparagraphs (A) through (C), including policies concerning changes in the financing of undergraduate and graduate allied health programs, changes in the types of allied health education, and the appropriate Federal role in the development of a research base in the allied health professions;

(E) appropriate efforts to be carried out by health care facilities, schools and programs of allied health, and professional associations with respect to the matter referred to in subparagraph (A), including efforts for changes in undergraduate and graduate allied health education programs, and private support for research initiatives;

(F) deficiencies and needs for improvements in existing data bases concerning the supply and distribution of training programs for allied health in the United States and steps that should be taken to eliminate such deficiencies; and

(G) problems, and recommendations for the resolution of such problems, relating to the roles and functions of professionals within the allied health fields and other fields such as medicine and dentistry; and

(2) encourage entities providing allied health education to conduct activities to voluntarily achieve the recommendations of the Commission.

(c) COMPOSITION.—The Commission shall be composed of—

(1) the Assistant Secretary for Health;

(2) the Administrator of the Health Care Financing Administration;

(3) the Assistant Secretary for Defense for Health Affairs;

(4) the Chief Medical Director of the Department of Veterans Affairs;

(5) the Commissioner of the Bureau of Labor Statistics of the Department of Labor;

(6) a representative of the National Center for Education Statistics of the Department of Education;

(7) a representative of the Bureau of Health Professions, Health Resources and Services Administration to be appointed by the Secretary;

(8) five individuals appointed by the Secretary to represent allied health professionals, of which—

(A) two such individuals shall be representatives of allied health professionals who provide occupational, speech, respiratory or physical therapy services;

(B) two such individuals shall be health professionals who provide services in underserved areas or to underserved populations; and

(C) one such individual shall be a health professional who provides services to the elderly;

(9) five individuals appointed by the Secretary, including representatives of schools and programs of allied health, health care facility employers of allied health personnel, health insur-

ers, and professional organizations representing the allied health professions;

(10) a professional knowledgeable about health occupations and professions and data policy to be appointed by the Secretary; and

(11) a representative of the general public to be appointed by the Secretary.

(d) **DATE CERTAIN FOR APPOINTMENTS.**—Not later than 90 days after the date of the enactment of the Health Professions Education Extension Amendments of 1992, the Secretary shall appoint the members of the Commission in accordance with subsection (c).

(e) **REPORTS.**—Not later than October 1, 1993, the Commission shall prepare and submit to the individual and entities described in subsection (b)(1) a progress report concerning the activities of the Commission. Not later than April 1, 1994, the Commission shall prepare and submit to such individuals and entities a final report.

(f) **RESOURCES FOR COUNCIL.**—The Secretary shall ensure that necessary resources are made available to implement the provisions of this section.

(g) **TERMINATION.**—The Commission shall terminate 60 days after the submission of the final report required under subsection (e).

**SEC. 303. STUDY REGARDING CLINICAL LABORATORY TECHNOLOGISTS FOR MEDICALLY UNDERSERVED AND RURAL COMMUNITIES.**

(a) **IN GENERAL.**—With respect to the shortage of clinical laboratory technologists, the Secretary of Health and Human Services (in this section referred to as the "Secretary") shall conduct a study for the purpose of—

(1) determining whether there are special or unique factors affecting the supply of clinical laboratory technologists in medically underserved and rural communities; and

(2) assessing alternative routes for certification of the competence of individuals to serve as such technologists, with consideration of the role of entities providing such certifications.

(b) **DATE CERTAIN FOR REPORT.**—Not later than October 1, 1993, the Secretary shall complete the study required in subsection (a) and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings made as result of the study.

**SEC. 304. RESIDENCY TRAINING PROGRAMS IN EMERGENCY MEDICINE.**

Title XII of the Public Health Service Act (42 U.S.C. 300d et seq.), as amended by title VI of Public Law 102-321, is amended by adding at the end the following part:

**"PART E—MISCELLANEOUS PROGRAMS**

**"SEC. 1251. RESIDENCY TRAINING PROGRAMS IN EMERGENCY MEDICINE.**

"(a) **IN GENERAL.**—The Secretary may make grants to public and nonprofit private entities for the purpose of planning and developing approved residency training programs in emergency medicine.

"(b) **IDENTIFICATION AND REFERRAL OF DOMESTIC VIOLENCE.**—The Secretary may make a grant under subsection (a) only if the ap-

plicant involved agrees that training programs under subsection (a) will provide education and training in identifying and referring cases of domestic violence.

"(c) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this section, there is authorized to be appropriated \$400,000 for each of the fiscal years 1993 through 1995."

**SEC. 305. CERTAIN CLINICAL TRAINEESHIPS.**

Section 303(d)(2) of the Public Health Service Act (42 U.S.C. 242a(d)(2)) is amended—

(1) by striking "or" at the end of subparagraph (B);  
 (2) by inserting "or" after the comma at the end of subparagraph (C); and

(3) by inserting after subparagraph (C) the following subparagraph:

"(D) in a Federal or State correctional facility,".

**SEC. 306. SPECIAL CONSOLIDATED LOAN PROGRAM.**

(a) **IN GENERAL.**—Section 428C of the Higher Education Act of 1965 (20 U.S.C. 1078-3) is amended—

(1) by redesignating subsection (d) as subsection (e); and  
 (2) by inserting after subsection (c) the following new subsection:

"(1) **SPECIAL PROGRAM AUTHORIZED.**—

"(1) **GENERAL RULE AND DEFINITION OF ELIGIBLE STUDENT LOAN.**—

"(A) **IN GENERAL.**—Subject to the provisions of this subsection, the Secretary or a guaranty agency shall enter into agreements with eligible lenders described in subparagraphs (A), (B), and (C) of subsection (a)(1) for the consolidation of eligible student loans.

"(B) **APPLICABILITY RULE.**—Unless otherwise provided in this subsection, the agreements entered into under subparagraph (A) and the loans made under such agreements for the consolidation of eligible student loans under this subsection shall have the same terms, conditions, and benefits as all other agreements and loans made under this section.

"(C) **DEFINITION.**—For the purpose of this subsection, the term 'eligible student loans' means loans—

"(i) of the type described in subparagraphs (A), (B), and (C) of subsection (a)(4); and

"(ii) made under subpart I of part A of title VII of the Public Health Service Act.

"(2) **INTEREST RATE RULE.**—

"(A) **IN GENERAL.**—The portion of each consolidated loan that is attributable to an eligible student loan described in paragraph (1)(C)(ii) shall bear interest at a rate not to exceed the rate determined under subparagraph (B).

"(B) **DETERMINATION OF THE MAXIMUM INTEREST RATE.**—For the 12-month period beginning after July 1, 1992, and for each 12-month period thereafter, beginning on July 1 and ending on June 30, the interest rate applicable under subparagraph (A) shall be equal to the average of the bond equivalent rates of the 91-day Treasury bills auc-



tioned for the quarter prior to July 1, for each 12-month period for which the determination is made, plus 3 percent.

"(C) **PUBLICATION OF MAXIMUM INTEREST RATE.**—The Secretary shall determine the applicable rate of interest under subparagraph (B) after consultation with the Secretary of the Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of such determination.

"(3) **SPECIAL RULES.**—

"(A) **NO SPECIAL ALLOWANCE RULE.**—No special allowance under section 438 shall be paid with respect to the portion of any consolidated loan under this subsection that is attributable to any loan described in paragraph (1)(C)(ii).

"(B) **NO INTEREST SUBSIDY RULE.**—No interest subsidy under section 428(a) shall be paid on behalf of any eligible borrower for any portion of a consolidated loan under this subsection that is attributable to any loan described in paragraph (1)(C)(ii).

"(C) **ADDITIONAL RESERVE RULE.**—Notwithstanding any other provision of this Act, additional reserves shall not be required for any guaranty agency with respect to a loan made under this subsection.

"(D) **INSURANCE RULE.**—Any insurance premium paid by the borrower under subpart I of part A of title VII of the Public Health Service Act with respect to a loan made under that subpart and consolidated under this subsection shall be retained by the student loan insurance fund established under section 710 of the Public Health Service Act.

"(4) **REGULATIONS.**—The Secretary is authorized to promulgate such regulations as may be necessary to facilitate carrying out the provisions of this subsection."

(b) **TECHNICAL AMENDMENT.**—Section 428(e) of the Higher Education Act of 1965 (as redesignated by subsection (a)) is amended by striking "1992" and inserting "1997".

(c) **EFFECTIVE DATE.**—The amendments made by this section take effect 60 days after the date of enactment of this Act.

#### SEC. 307. NATIONAL ADVISORY COUNCIL ON MEDICAL LICENSURE.

(a) **ADVISORY COUNCIL.**—

(1) **IN GENERAL.**—The Secretary of Health and Human Services shall establish an advisory council to be known as the "National Advisory Council on Medical Licensure".

(2) **DUTIES.**—

(A) **ADVICE.**—The Council shall provide advice to the Secretary regarding the operation of the system established by the American Medical Association for the purpose of verifying and maintaining information regarding the qualifications of individuals to practice medicine, and advice regarding the establishment and operation of any similar system.

(B) **ACTIVITIES.**—In carrying out subparagraph (A), the Council shall—

(i) monitor and review the operation of the private credentials verification system and develop recommen-

dations regarding methods by which the system can be improved, and make recommendations for the establishment of nondiscriminatory policies and practices for the operation of the system;

(ii) determine to what extent the system has expedited and otherwise improved the efficiency and equitable operation of the process in the States for licensing individuals to practice medicine who previously have been licensed by another State (commonly known as licensure by endorsement); and

(iii) review the policies and practices of the States (including any relevant laws) in licensing international medical graduates and in licensing domestic medical graduates, and determine the effects of the policies.

(3) COMPOSITION.—

(A) IN GENERAL.—The Council shall be composed of 15 voting members selected in accordance with subparagraphs (B) and (C).

(B) HEALTH RESOURCES AND SERVICES ADMINISTRATION.—The Secretary shall designate one official or employee of the Health Resources and Services Administration to serve as a member of the Council. The official or employee so designated shall be a graduate of a medical school located in the United States.

(C) APPOINTMENTS.—From among individuals who are not officers or employees of the Federal Government, the Secretary shall, subject to subparagraph (D), make appointments to the Council as follows:

(i) One individual from an organization representing State authorities that license individuals to practice medicine.

(ii) One individual representing a national organization that represents practicing physicians in the United States.

(iii) One individual representing an organization in the United States that tests international medical graduates regarding medical knowledge.

(iv) One individual representing an organization in the United States that tests individuals who are graduates of medical schools located in the United States regarding medical knowledge.

(v) One physician representing one or more medical schools located in the United States.

(vi) One individual who is a representative of the private credentials verification system.

(vii) One individual who is a graduate of a medical school located in the United States, who has been licensed to practice medicine by a State and has been so licensed by such State for a continuous period of at least 20 years, and who has applied for and received licensure by endorsement during the 5-year period ending on the date of the enactment of this Act.

(viii) One individual who is a graduate of a medical school located in the United States and who repre-

sents a State authority that licenses individuals to practice medicine, which State either has a significant number of practicing physicians who are international medical graduates or has a significant shortage of physicians.

(ix) One individual who is an international medical graduate and who represents a coalition representing such graduates.

(x) One individual who is an international medical graduate and who is a native of the United States.

(xi) One individual who is a native of a country located in southern or eastern Asia (including southern or eastern Asian islands) and who is an international medical graduate by virtue of being a graduate of a medical school located in such a country.

(xii) One individual who is a native of a European country or of Australia or New Zealand and who is an international medical graduate by virtue of being a graduate of a medical school located in such a country.

(xiii) One individual who is a native of a Latin American or Caribbean country and who is an international medical graduate by virtue of being a graduate of a medical school located in such a country.

(xiv) One individual who is a native of a country located in sub-Saharan Africa and who is an international medical graduate by virtue of being a graduate of a medical school located in such a country.

At least one member appointed by the Secretary under this subparagraph shall be a physician who is practicing in a medically underserved community, as defined in section 799 of the Public Health Service Act. A physician may serve on the Council only if the physician is licensed by one or more States to practice medicine.

(D) CONSULTATION.—The Secretary shall make the appointments described in subparagraph (C) only after consultation with relevant organizations and coalitions.

(4) CHAIR.—From among the members appointed under paragraph (3)(C), the Council shall designate an individual to serve as the chair of the Council.

(5) DURATION.—The Council shall continue in existence until the submission of the report required under paragraph (7), or not later than September 30, 1995, whichever is earlier.

(6) INTERIM REPORT.—Not later than September 30, 1993, the Council shall submit to the Secretary, the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, an interim report describing the findings and recommendations of the Council pursuant to the duties established in paragraph (2). The Secretary shall provide a copy of the report to the private credentials verification system.

(7) FINAL REPORT.—

(A) IN GENERAL.—Not later than September 30, 1995, the Council shall prepare and submit to the Secretary, the Committee on Labor and Human Resources of the Senate

and the Committee on Energy and Commerce of the House of Representatives, a final report that shall include recommendations regarding activities conducted pursuant to paragraph (2), that shall include a determination as to whether the private credentials verification system is operating with a reasonable degree of efficiency and whether the policies and practices of the system are nondiscriminatory.

(B) **RECOMMENDATIONS.**—If the Secretary determines that the private credentials verification system fails to meet either of the criteria with respect to the determination described in subparagraph (A), the Secretary, in consultation with the Council and relevant organizations, shall make a recommendation concerning the establishment of an alternative private system and concerning the specifications for such a system as described in paragraph (2)(B).

(b) **STUDY OF STATE LICENSURE PROCESS.**—

(1) **IN GENERAL.**—With respect to the licensure by the States of individuals to practice medicine, the Secretary, in consultation with the Council, shall conduct a study of not less than 10 States for the purpose of determining—

(A) the average length of time required for the States involved to process the licensure applications of domestic medical graduates and the average length of time required for the States to process the licensure applications of international medical graduates, and the reasons underlying any significant differences in such times; and

(B) the percentage of licensure applications from domestic medical graduates that are approved and the percentage of licensure applications from graduates of international medical schools that are approved, and the reasons underlying any significant differences in such percentages.

(2) **REPORT.**—Not later than September 30, 1994, the Secretary shall submit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report describing the findings made as a result of the study required in paragraph (1) for the fiscal year.

(c) **DEFINITIONS.**—For purposes of this section:

(1) **COUNCIL.**—The term “Council” means the National Advisory Council on Medical Licensure established in subsection (a)(1).

(2) **DOMESTIC MEDICAL GRADUATE.**—The term “domestic medical graduate” means an individual who is a graduate of a medical school located in the United States or Canada.

(3) **INTERNATIONAL MEDICAL GRADUATE.**—The term “international medical graduate” means an individual who is a graduate of a medical school located in a country other than the United States or Canada.

(4) **MEDICAL SCHOOL.**—The term “medical school” means a school of medicine or a school of osteopathic medicine, as such terms are defined in section 799 of the Public Health Service Act.

(5) **NONDISCRIMINATORY.**—The term “nondiscriminatory”, with respect to policies and practices, means that such policies and practices do not discriminate on the basis of race, color, religion, gender, national origin, age, disability, marital status, or educational affiliation.

(6) **PRIVATE CREDENTIALS VERIFICATION SYSTEM.**—The term “private credentials verification system” means the system described in subsection (a)(2)(A) and established by the American Medical Association.

(7) **SECRETARY.**—The term “Secretary” means the Secretary of Health and Human Services.

(8) **STATE.**—The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(d) **NECESSARY RESOURCES.**—The Secretary shall ensure that necessary resources are made available to implement the provisions of this section.

**SEC. 308. REQUIRED ASSURANCES REGARDING BLOODBORNE DISEASES.**

With respect to awards of grants or contracts under title VII or VIII of the Public Health Service Act, the Secretary of Health and Human Services may make such an award for the provision of traineeships only if the applicant for the award provides assurances satisfactory to the Secretary that all trainees will, as appropriate, receive instruction in the utilization of universal precautions and infection control procedures for the prevention of the transmission of bloodborne diseases.

**SEC. 309. STUDY ON EFFECTIVENESS OF HEALTH PROFESSIONS PROGRAMS.**

(a) **IN GENERAL.**—The Comptroller General of the United States shall conduct a study of the programs carried out under titles VII and VIII of the Public Health Service Act (as amended by this Act) for the purpose of determining the effectiveness of such programs in—

(1) increasing the number of primary care providers (physicians, physician assistants, nurse midwives, nurse practitioners and general dentists), nurses and allied health personnel;

(2) improving the geographic distribution of health professionals in medically underserved and rural areas; and

(3) recruiting and retaining as students in health professions schools individuals who are members of a minority group.

(b) **CERTAIN REQUIREMENTS.**—The study conducted under subsection (a) shall determine—

(1) whether funding under title VII of the Public Health Service Act has increased the number of primary care practitioners (family medicine, general internal medicine, general pediatrics, general dentistry, and physician assistants) in medically underserved communities (as defined in section 799 of such Act);

(2) whether or not funding under such title VII has increased the number of allied health professionals in medically underserved or rural communities;



(3) whether or not funding under title VIII of such Act has increased the number of nurses in medically underserved or rural communities;

(4) whether or not the various mechanisms under such titles VII and VIII (such as scholarships, fellowships, traineeships, loan repayment programs, project grants, and education centers) have been effective in producing health care professionals who work or practice in medically underserved and rural communities and the relative impact or effectiveness of each mechanism;

(5) the duration of service in medically underserved communities (as defined in section 799 of such Act) of health professionals whose training was funded by such titles or who received financial incentives under such titles to practice in such communities;

(6) the geographic distribution of former trainees under such titles who are practicing in medically underserved communities (as so defined);

(7) with respect to the programs of such titles whose purpose is improving the health of individuals who are members of minority groups, whether such programs have had a significant impact on the number of such individuals entering the health professions; and

(8) such other such factors as may be relevant to the reauthorization of such title VII or VIII.

(c) **REPORT.**—Not later than January 1, 1994, the Comptroller General of the United States shall complete the study required in subsection (a) and submit to the Committee on Labor and Human Resources of the Senate, and the Committee on Energy and Commerce of the House of Representatives, a report describing the findings made as a result of the study and making such recommendations regarding the programs carried out under titles VII and VIII of the Public Health Service Act as the Comptroller General determines to be appropriate.

#### **SEC. 310. DELAYED APPLICABILITY OF CERTAIN PROVISIONS.**

Notwithstanding any other provision of law, section 403A(a)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343-1(a)(1)) shall not apply with respect to any requirement of any State or political subdivision regarding maple syrup until September 1, 1994.

#### **SEC. 311. CERTAIN APPLICATION PROCEDURES.**

Section 633 of Public Law 100-607 (42 U.S.C. 295g-10a) is repealed.

#### **SEC. 312. CERTAIN PROJECTS.**

(a) **IN GENERAL.**—Section 205(a)(2)(B) of Public Law 102-321 is amended by adding at the end the following clause:

“(iii) In the case of amounts reserved under this subparagraph for programs of services in the city of San Francisco, California, the Secretary shall ensure that such amounts are administered by such city and shall authorize the city to select providers for such programs and determine the allocation of such payments among the providers.”

(b) *CONFORMING AMENDMENT.*—Section 205(a)(2)(B)(i) of Public Law 102-321 is amended—

(1) in subclause (I), by striking “clause (ii)” and inserting “clauses (ii) and (iii)”; and

(2) in subclause (II), by inserting “, subject to clause (iii)” before the period.

And the Senate agree to the same.

JOHN D. DINGELL,  
HENRY A. WAXMAN,  
BILL RICHARDSON,  
NORMAN LENT,  
TOM BLILEY,

*Managers on the Part of the House.*

EDWARD M. KENNEDY,  
HOWARD M. METZENBAUM,  
PAUL SIMON,  
ORRIN HATCH,  
NANCY LANDON KASSEBAUM,

*Managers on the Part of the Senate.*

## JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3508) to amend the Public Health Service Act to revise and extend certain programs relating to the education of individuals as health professionals, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

### INTRODUCTION TO STATEMENT OF MANAGERS

The Conference agreement provides for the reauthorization of health professions programs authorized by titles VII and VIII of the Public Health Service Act. In contrast with previous reauthorization periods, the Conferees have restructured these programs and related authorization levels to place greatest emphasis upon activities that will improve health care access and delivery by increasing the training of health care providers most important to the provision of primary care services, particularly in medically underserved areas.

The Conference agreement represents the first comprehensive reform of the Federal health professions and nursing education authorities since their inception. The agreement reflects the consensus of the Conferees that especially at a time when Federal funding for these programs is frozen or declining, steps must be taken to prioritize the allocation of Federal funds. Therefore, the authorization levels have been constrained and program priorities specified.

The Conferees note that while Federal funding for programs under titles VII and VIII has sharply declined in both real and constant dollars since the 1970's, the program priorities have remained relatively unfocussed. In an era of declining Federal resources available to health professions training, Congress must establish clearer priorities for the distribution of limited funding. The Conference agreement directs the Secretary to give preference to those health professions training programs that have demonstrated suc-

cess in the placement of graduates in medically underserved areas or to individuals who are committed to pursuing careers in primary care.

The Conferees believe Federal support for health professions training, with renewed emphasis on setting priorities that reflect important health care needs, continues to play an important role in the overall goal of expanding the numbers of mid-level health professionals and in increasing the percentage of medical and dental school graduates pursuing careers in primary care medicine and general dentistry.

Most physicians continue to select specialty careers. This trend has accelerated with declining match rates for primary care residencies in recent years. The Conferees have singled out programs in family medicine, general internal medicine, and general pediatrics, and training of physician assistants, nurse practitioners, and nurse midwives for priority in the allocation of federal assistance because these professions will play a pivotal role in reaching the national goal of making access to primary health care more widely available and of reducing unnecessary health care costs.

The Conference agreement restructures the Health Professions Student Loan program to give priority to osteopathic and allopathic medical students who will enter postgraduate residency training programs that lead to careers in family practice, general internal medicine or general pediatrics.

The Conference agreement restructures the Health Education Assistance Loan Program (HEAL). Increasing numbers of health professions students are dependent on the federal government for assistance to finance their education. In 1976, the Health Education Assistance Loan Program was created to provide insurance so that loan funds could be made available to graduate students in high-tuition health professions schools. The program was extended to assure that any American, regardless of his or her economic status, could have access to a health professions education. Since its inception, HEAL has insured more than 300,000 loans totaling over \$2.7 billion in loan principal to students in 11 health professions.

Unfortunately, problems have existed in the HEAL program that must be addressed. Default rates have continued to rise. The program was intended to be self-financing through an up-front loan origination fee charged to borrowers. However, the fee is now insufficient to cover the costs of the yearly defaults, and Congress has appropriated funds for this purpose in the last two fiscal years (\$25 million in fiscal year 1991 and \$48 million in fiscal year 1992). The Conference agreement makes significant changes in the HEAL authority that place greater responsibility on health professions schools, lenders, holders and on borrowers; requires payments of premiums, by both schools and borrowers, that are based on default rates; and authorize the Secretary to bar participation in the HEAL program by schools that continue to have excessive default rates. The Conferees believe that these and other reforms will reduce the student default rate and restore credibility to the program.

For each of the sections of title VII of the Public Health Service Act, as amended by section 102 of the Conference agreement,

the following table indicates the former section number of the provision involved, if any:

| Revised section No. | Former section No. |
|---------------------|--------------------|
| 701.....            | 727 (a).           |
| 702.....            | 728.               |
| 703.....            | 729.               |
| 704.....            | 730.               |
| 705.....            | 731.               |
| 706.....            | 732.               |
| 707.....            | 733.               |
| 708.....            | None.              |
| 709.....            | None.              |
| 710.....            | 734.               |
| 711.....            | 735.               |
| 712.....            | 736.               |
| 713.....            | 737A.              |
| 714.....            | 738.               |
| 715.....            | 739.               |
| 719.....            | 737.               |
| 720.....            | 727 (b)            |
| 721.....            | 740.               |
| 722.....            | 741.               |
| 723.....            | None.              |
| 724.....            | 740(c);<br>742(c). |
| 725.....            | 744.               |
| 726.....            | 745.               |
| 727.....            | 746.               |
| 728.....            | 743.               |
| 735.....            | 742 (b).           |
| 736.....            | 758.               |
| 737.....            | 760.               |
| 738.....            | 761.               |
| 739.....            | 782.               |
| 740.....            | 787.               |
| 746.....            | 781.               |
| 747.....            | 786.               |
| 748.....            | 784.               |
| 749.....            | 785.               |
| 750.....            | 788 (d).           |
| 751.....            | 788 (e).           |
| 752.....            | 790.               |
| 761.....            | 792.               |
| 762.....            | 790A.              |
| 763.....            | 788 (c); 793.      |
| 765.....            | None.              |
| 766.....            | 797.               |
| 767.....            | 796.               |
| 771.....            | 791A.              |
| 776.....            | 788A.              |
| 777.....            | 789.               |
| 778.....            | 799A.              |
| 781.....            | None.              |
| 782.....            | None.              |
| 791.....            | None.              |
| 792.....            | 708.               |
| 793.....            | 794.               |
| 794.....            | 704.               |
| 795.....            | None.              |
| 798 (a).....        | None.              |
| 798 (b).....        | 707.               |
| 798 (c).....        | 710.               |
| 798 (d).....        | 706.               |
| 798 (e).....        | 705.               |



|             | Revised section No. | Former section No. |
|-------------|---------------------|--------------------|
| 798(f)..... |                     | 709.               |
| 799.....    |                     | 701.               |

## TITLE I—HEALTH PROFESSIONS EDUCATION

### HEALTH EDUCATION ASSISTANCE LOANS

Congress is increasingly concerned about the default rates under the Health Education Assistance Loans program (HEAL) exceeding the capacity of the student loan insurance fund to cover the costs of defaults. In fiscal year 1992, the House and Senate Appropriations Committees provided \$48 million to cover losses on federally guaranteed HEAL loans. In providing these funds, the Appropriations Committees expressed their continuing concern about the high rate of defaults in the HEAL program and called upon the authorizing committees to develop legislation to replace or substantially modify the HEAL program to reduce the number of defaults.

The Conferees find the current level of loan defaults unacceptable. The Conference agreement responds to the call for substantive reform of the HEAL program and includes new provisions which will enhance the solvency of the student loan insurance fund and reduce student default rates.

For example, in an effort to reduce the number of defaults by chiropractic borrowers, the Conference agreement in Section 705 provides one year of deferment for borrowers who have graduated from a college, school, or university of chiropractic. The Conferees are hopeful that by extending the period of forbearance, chiropractic borrowers will have sufficient time to become licensed and establish practices and therefore avoid default within the first year.

#### SCOPE AND DURATION OF THE LOAN INSURANCE PROGRAM

Section 702 authorizes that the Federal loan insurance program will not exceed \$350 million for fiscal year 1993, \$375 million for fiscal year 1994 and \$425 million for fiscal year 1995.

#### RISK-BASED PREMIUMS

The Conferees are aware that HEAL default rates, whether measured on an aggregated or annual cohort basis, have tended to vary by health profession and by institution. For example, the cumulative default rate for students at allopathic medical schools is 4.9%, while that for students at chiropractic schools is 10%. For the cohort of loans originated in 1984, the estimated default rate for osteopathic students is 7.9%, while that for chiropractic students is 18.9%. Under current law, all HEAL borrowers pay an 8% default insurance premium regardless of their relative risk of default. As a result, students at low risk of default (those attending schools with default rates less than 5%) are subsidizing those at higher risk of default. Under the provisions of this Conference agreement, each institution's default record will be used to deter-

mine the level of the student's premium and for levying an institution default penalty fee.

Section 708 provides that HEAL loans made on or after January 1, 1993, be assessed a risk-based premium based on the default rate of the eligible institution. There are four categories: low-risk, medium risk, high-risk, and ineligible for the program.

The low-risk category includes institutions whose default rates do not exceed 5 percent. Borrowers would be required to pay a risk premium of 6 percent.

The medium-risk category includes institutions whose default rates exceed 5 percent but are less than 10 percent. Borrowers attending these institutions will be required to pay a risk premium of 8 percent and the institution would be required to pay a risk premium of 5 percent.

The high-risk category includes institutions whose default rate is in excess of 10 percent but not exceeding 20 percent. Borrowers attending these institutions will be required to pay a risk premium of 8 percent and the institution will be required to pay a risk premium of 10 percent.

In addition, institutions in the medium- and high-risk categories are required to develop a default reduction management plan. The purpose of this planning provision is to ensure that higher risk schools make a good faith effort and have in place a set of procedures to minimize student defaults. The requirements for a default management plan would be developed by the Secretary.

Institutions with default rates exceeding 20 percent will be ineligible to participate in the program, except as outlined in section 708(d). Historically black colleges or universities will be exempt from the ineligibility requirement for a 3-year period beginning with the effective date of this section. Borrowers at those institutions will be required to comply with all guidelines applicable to institutions in the high-risk default category.

The Conference agreement also prohibits institutions required to pay risk premiums from charging different tuition or fees to HEAL borrowers than to non-HEAL borrowers.

Section 708(c) requires lenders to reduce the risk premium by 50 percent for eligible borrowers who have a credit worthy parent or other responsible party co-sign the loan note.

Section 708(d) authorizes administrative waivers. The Secretary will grant an institution a hearing to consider mitigating circumstances prior to making that institution ineligible to participate in the program. The Secretary may grant an institution a waiver of the requirements of the risk categories only if the Secretary determines that the default rate is not an accurate indicator because the volume of loans has been insufficient. For example, some schools of public health may have default rates that exceed 30%. However, since these default rates are based on a small number of loans (in some cases, only two to five loans) they may be a misleading measure of the institution's ability to control defaults.

Section 708(e) allows institutions to reduce their risk category by paying off the outstanding principal and interest owed by their students.

## EASING BURDEN ON BORROWERS

The Conferees are sensitive to the fact that HEAL is an expensive way to finance an education and the conference agreement contains changes aimed at easing the burden on the students and reducing the chances that borrowers will default on their loans. Currently, students pay an 8% up-front fee and are charged an interest rate that may not exceed 3 percent over the Treasury bill rate. The interest rate is compounded semi-annually. The following is a possible scenario: a medical student borrows \$80,000 in principal at an average interest rate of 12 percent and repays it over the entire 25-year repayment period. The student would repay \$642,000 (\$80,000 of the original principal and \$562,000 in interest).

The Conference agreement includes a number of provisions intended to alleviate such situations. Section 705(b) requires that the interest rate on HEAL loans be compounded annually, rather than semi-annually. Section 705(e) provides that extensions of time prior to the beginning of loan repayment for purposes of forbearance not be included in the 25-year total loan repayment period. Section 705(f) requires that lenders and holders offer borrowers graduated loan repayment schedules during the first 5 years of loan repayment, based on the borrower's debt-to-income ratio.

Section 706 is revised to authorize loan consolidation but prohibits federal subsidy of interest rates on the HEAL portions of any consolidated loan. The Conference agreement also requires that lenders or loan holders provide full disclosure to the borrower concerning the advantages and disadvantages of loan consolidation.

## MINIMIZING HEAL DEFAULTS

The Conferees expect that schools, lenders, and holders to assume and share the responsibility for minimizing HEAL defaults. Consistent with reforms recently enacted in the Guaranteed Student Loan program, Section 707 requires the Secretary to establish performance standards for lenders and holders of loans including fees to be imposed for failing to meet such standards. Section 705(a) authorizes lenders to obtain appropriate demographic information from borrowers including racial or ethnic background and provide this information to the Secretary. Section 705 (a)(2)(H) authorizes institutions or training programs attended by HEAL borrowers to assist in the collection of loans that become delinquent.

The Conferees note that current law already provides two methods to collect from defaulters. The first authorizes the Secretary to offset Medicare reimbursement for services rendered by HEAL defaulters. The Conferees urge the Secretary to take immediate action to ensure that this authority is used to increase HEAL collections. The second permits the Federal government to pursue a claim against a defaulter.

Section 707 authorizes any United States attorney to register any State court judgment obtained by a lender or holder with the Federal Courts for enforcement and provides that obligations to repay HEAL loans will be enforceable without regard to any Federal or State statutory, regulatory, or administrative limitation on the period within which debts may be enforced. Section 707(f) pro-

vides that any amounts recovered from HEAL defaulters be deposited into the student loan insurance fund.

Section 715 includes additional requirements on institutions and lenders: (1) tuition and fees charged to HEAL borrowers may not exceed the tuition and fees for non-HEAL borrowers; (2) institutions are required to provide detailed information on borrowers; (3) institutions are required to withhold all services including academic transcripts, financial aid transcripts, and alumni services from borrowers who have defaulted except, in the case of bankruptcy; and (4) lenders are required to offer borrowers a variety of repayment options including fixed-rate, graduated repayment with negative amortization, and income-dependent payments for 5 years followed by level monthly payments. This section also provides that at the beginning of each academic year, each participating institution is required to conduct a workshop for all HEAL borrowers.

#### OFFICE FOR HEALTH EDUCATION ASSISTANCE LOAN DEFAULT REDUCTION

Section 709 establishes an Office for Health Education Assistance Loan Default Reduction within the Division of Student Assistance of the Bureau of Health Professions of the Health Resources and Services Administration (HRSA). The Conferees recognize that many of the HEAL loan tracking and debt collection functions are dispersed within HRSA and the Department of Health and Human Services and believe that consolidation of these existing functions into a single office will improve the management of and return on HEAL debt collection activities.

The Conferees expect that the new Office will undertake a thorough review of current collection requirements and recommend additional steps to improve loan servicing and collection where warranted. The Office will carry out activities designed to reduce loan defaults. The functions of the Office are specified in the Conference agreement. Starting March 31, 1993, the Office is required to submit each year a report to Congress detailing activities of the Office, including information on institution-specific default rates and default rates of lenders and holders participating in the program.

The Office will also compile and publish in the Federal Register a list of borrowers who have defaulted on their HEAL loans. In addition, the Office will send notices that the borrower has defaulted to Federal agencies, schools, professional and specialty associations, State licensing boards, hospitals and other relevant organizations which the borrowers may be associated.

Section 709 authorizes the allocation of up to \$1 million annually for the Office from funds in the student loan insurance fund for the functions and activities of the Office. This source of additional funding will facilitate the addition of seven full-time equivalent positions to improve debt collection and reduce the number of defaults. The funds allocated from the insurance fund are to be used to expand program activities and not to supplant funds appropriated for current activities.

## DEFINITIONS

Section 719 is amended by the Conference agreement to include definitions for "eligible lender" and "default rate." The "default rate" would be calculated on loans entering repayment status after April 7, 1987, for which insurance claims have been paid, excluding claims paid as a result of death or disability, loans that have been brought into repayment for a period of not fewer than 12 consecutive months or the equivalent, or amounts not recoverable because of bankruptcy. The Conference agreement defines an academic institution as an eligible lender if the institution became a lender under this subpart prior to September 15, 1992. This action is required by the escalating number of defaults and the need to impose greater accountability on academic institutions that are lenders.

## PRIMARY CARE LOAN PROGRAM

Section 723 of the conference agreement establishes a primary care loan program, as a component of the health professions student loan program, under which schools of allopathic and osteopathic medicine may make loans to students who commit themselves to careers in family medicine, general internal medicine, general pediatrics, preventive medicine, or osteopathic general practice. If the borrower fails to enter and complete a primary care residency and to practice in a primary care field, the loan balance will be recomputed from the date of issuance at an interest rate of 12 percent per year, compounded annually. The conference agreement also establishes performance standards for schools regarding the proportion of graduates in primary care, with specific penalties assessed if schools fail to maintain such standards. The Conference agreement also requires participating schools to prepare annual reports concerning the operation of the program and include data concerning current training and practice status of graduates who were in their fourth postgraduate year at that time.

The health professions student loan program provides the single largest source of Federal low interest loan funds for students attending allopathic and osteopathic schools. The Conferees believe that here, as with other Title VII programs, Federal support of medical education should be targeted in a manner that will provide consistent incentives to encourage more young men and women to pursue careers in primary care. The success of health care reform requires that the number of medical students pursuing a primary care career increase. Particularly, in light of fiscal constraints on Federal support for health professions education it is no longer appropriate to provide Federal funds for the subsidy of medical specialties education. Although the Conference agreement is just one small step in achieving needed reform in the production of primary care providers, it represents an important beginning.

## PROGRAMS FOR STUDENTS FROM DISADVANTAGED BACKGROUND

The Conference agreement extends through fiscal year 1993 the authorization of appropriations for the scholarship program for exceptionally financially needy students and the Health Careers Opportunity Program. The authorization is limited to permit Con-



gress time to consider a longer reauthorization in the context of reauthorizing other health professions programs for disadvantaged students which expire at the end of fiscal year 1993.

#### SCHOLARSHIPS FOR STUDENTS OF EXCEPTIONAL FINANCIAL NEED

Section 736 is renamed Scholarships for Students with Exceptional Financial Need to reflect the working title of these scholarships. The substantive changes made to the program in the conference agreement include limiting scholarship grants only to schools of allopathic and osteopathic medicine, and dentistry and adding a new requirement that students who receive scholarship assistance under this program enter into obligation for service as outlined in section 795, a new section dealing with repayment. The authorization for this program is extended through fiscal year 1993. The Conferees intend that schools of pharmacy, optometry, veterinary medicine, and podiatric medicine continue to receive assistance under the disadvantaged student assistance program authorized in section 740. The Conference agreement authorizes \$11 million for fiscal year 1993.

#### SCHOLARSHIPS FOR DISADVANTAGED STUDENTS

The Conference agreement requires that schools give preference for scholarships to students who are from disadvantaged backgrounds and for whom the costs of attending the school would constitute a severe financial hardship.

#### LOAN REPAYMENT AND DISADVANTAGED FACULTY DEVELOPMENT

Section 738 of the Conference agreement clarifies who is eligible to participate in the loan repayment program and the amount of payments made to the individual. In addition, this provision establishes a Disadvantaged Faculty Development Fellowship program. The intent of this program is to increase the number of faculty members of disadvantaged backgrounds, including racial and ethnic minorities, in the health professions. The program requires matching funds from the institution to ensure that the institution has a commitment to identify, recruit, and retain individuals from disadvantaged backgrounds who have the potential for teaching, administering programs, or conducting research as faculty members. The authorization level for this program is \$4 million for fiscal year 1993.

#### CENTERS OF EXCELLENCE

Section 739 of the Conference agreement clarifies that schools of osteopathic medicine are eligible grantees for this program.

Given the availability of a large increase in funding for this section that was unforeseen at the time of the last authorization, the Conference agreement includes a number of revisions that preserve the original intent of the program. The allocation of funds language is amended to clarify that the first \$12 million appropriated shall go to the four original recipients under this section: Meharry Medical College Schools of Medicine and Dentistry, Xavier University College of Pharmacy, and the Tuskegee University School of Veterinary Medicine.

Of the amounts available after compliance with the above requirement, the Secretary is directed to make available 60 percent of funds for Hispanic and Native American Centers of Excellence and 40 percent to "Other" Centers of Excellence. The Conference agreement clarify that it was not the intent of the original legislation to create dozens of centers around the country funded at levels not much higher than the average Health Careers Opportunity Program award. The very name of the program, Centers of Excellence, implies a few well-funded centers that will attract and focus resources and expertise and serve as models to other academic institutions. The Conferees have set the minimum award amount for new and continuing centers under this section at \$500,000 starting in FY93. Authorization levels remain the same as under current law.

#### EDUCATIONAL ASSISTANCE TO STUDENTS FROM DISADVANTAGED BACKGROUNDS

Section 740 of the Conference agreement requires the Secretary to ensure that Health Careers Opportunity Program (HCOP) grants and contracts are equitably distributed to reflect the changing demographics and geographic location of individuals from disadvantaged backgrounds, and that services and activities are equitably allocated among various racial and ethnic populations. The Conferees support the language in the House Committee report for H.R. 3508 describing the current distribution of participation among different racial and ethnic groups and the recommendations made to ameliorate this inequity. The Conferees offer as guidance to the Secretary a definition of an individual from a disadvantaged background as a U.S. citizen who (1) comes from a family with an annual income at or below the poverty level according to family size as defined by the United States Bureau of the Census; or (2) comes from a social or educational background that has inhibited such individual from obtaining the knowledge, skills, and abilities necessary to enroll in and graduate from a health career training program. The Conference agreement authorizes \$31.5 million for fiscal year 1993.

#### AREA HEALTH EDUCATION CENTERS

Section 746 of the Conference agreement makes substantive changes to the Area Health Education Centers (AHEC) and Health Education Training Centers (HETC) programs, incorporating both House- and Senate-passed amendments with some technical modifications. The matching requirement for State-supported AHEC's is changed to require a non-Federal contribution of 50 percent starting in the first year. The existing requirement for participation of a dental school, if there is one affiliated with the medical school's university, is modified to provide also for the participation of a program in clinical psychology, clinical social work, or marriage and family therapy, if there is one affiliated.

For the HETC program, the agreement broadens the current authority to address health personnel needs in "other high-impact urban and rural areas," including establishing HETCs in those areas, and adds Florida to the list of eligible border areas.

The Conference agreement authorizes \$25 million for the AHEC program in each of fiscal years 1993-1995. Of this amount, not more than 20 percent could be obligated for special AHEC initiatives undertaken by the original AHEC programs. In fiscal year 1993, any funds appropriated in excess of \$19.2 million (\$18.7 million in fiscal year 1994) are to be used for the State-supported AHEC program, and of these amounts, no more than 10 percent is to be used to fund demonstration projects described in section 746 under the new program. The Conference agreement authorizes \$5 million for the HETC program in each of fiscal years 1993-1995.

#### FAMILY MEDICINE

Section 747 of the Conference agreement consolidates the funding authorization for department and residency training programs and makes substantive changes to give the Secretary greater discretion in allocating funds between Department and Residency program. The Conferees note that U.S. medical school graduates are entering residency training programs in the primary care specialties in decreasing numbers; over the last seven years, there has been a significant downturn in the number of medical school graduates entering family practice residencies; and since 1986 there has been a 29% reduction in the number of fourth year medical students choosing family practice programs through the National Resident Matching Program (NRMP). The failure of medical students to choose residency training programs in primary care specialties is not based on the unavailability of residency slots in these specialties. Data from the 1992 NRMP "match" show that only 56 percent of the first-year residency positions offered in family practice were filled by U.S. graduates. When graduates of foreign medical schools are included, the percentage of filled positions was 68 percent.

The Conferees believe that all schools of allopathic and osteopathic medicine should have departments of family medicine. The Conference agreement reflects the Conferees' strong support for increasing efforts to establish new or significantly expanded departments of family medicine. It is increasingly clear that only through the establishment of such administrative entities within medical schools will the number of providers increase to meet the needs both of medically underserved communities and national health care reform. In this regard, the Conferees specify that not less than 20 percent of annual appropriations under the consolidated family medicine authority be allocated to departments which propose to establish new departments or significantly expand existing departments. This policy also reflects a relative redirection of funding priorities to programs that increase the number of students entering family medicine. The Conference agreement authorizes \$54 million for each of the fiscal years 1993-1995.

#### GENERAL INTERNAL MEDICINE AND GENERAL PEDIATRICS

Section 748 of the conference agreement makes substantive changes to the programs for training, traineeships, and fellowships in General Internal Medicine and General Pediatrics. The Conference agreement adds a provision to support training of undergradu-

ate medical students and practicing physicians in the specialties of general internal medicine and general pediatrics. The Conferees believe that exposure of students to primary care role models in community or ambulatory settings, and clerkships or rotations in primary care will have a positive impact on their career choice, and selection of primary care residencies and, subsequently, on primary care specialty practice. In addition, the Conferees recognize need for primary care faculty development programs, like the program at the Massachusetts General Hospital, that produce our future primary care teachers and role models. The Conference agreement authorizes \$25 million for each of fiscal years 1993-95.

#### DENTISTRY

Section 749 includes only one substantive change by including an authorization for inclusion of innovative, non-traditional models in the general practice of dentistry. The program is authorized for \$6 million for each of fiscal years 1993-95.

#### PHYSICIAN ASSISTANTS

Section 750 has been modified by the Conference agreement to authorize 10% of appropriated funds to be used for a faculty development program. The program is authorized for \$9 million for each of fiscal years 1993-1995.

#### PODIATRISTS

Section 751 of the Conference agreement amends the program for primary care podiatric medical training to direct the Secretary to give preference to programs that provide training in a variety of community settings, including community-based clinics and long-term care facilities, and to programs that prepare students for practice in rural or underserved areas by training students in those settings. The program is authorized at \$1 million for each of fiscal years 1993-1995.

#### PUBLIC HEALTH

This new subpart consolidates the three existing programs (Public Health Special Projects, Public Health Traineeships and Preventive Medicine Residencies) and a new program (Dental Public Health Residencies) under a single authorization of appropriations. The Conferees emphasize the equal importance of public health traineeships and the preventive medicine tracks in promoting the Healthy People 2000 Objectives and expect that at least 60 percent of the funds appropriated will be allocated for these activities. The program is authorized at \$15.5 million for each of fiscal years 1993-1995.

##### *Public health traineeships*

Section 761 of the conference agreement makes substantive changes to the program of public health traineeships as follows. Individuals eligible for traineeships are individuals who are pursuing a course of study in which there is a severe shortage of health professionals, including the fields of epidemiology, environmental health, toxicology, nutrition, and biostatistics.

### *Public health special projects*

Section 762 makes substantive changes to the program of Public Health Special Projects. Grants may be awarded to schools of public health to meet the costs of planning, developing, demonstrating, operating, and evaluating projects that further the goals established by Healthy People 2000 in the areas of preventive medicine, health promotion and disease prevention, to improve access and quality of public health services to medically underserved communities or to reduce cases of domestic violence.

The Conference agreement gives preference to schools that will establish or strengthen field placement for students in state, local and other public or nonprofit private health agencies or involve faculty and students in collaborative projects to enhance public health services to medically underserved communities. The Conferees are aware of several programs that have developed linkages to public or nonprofit private health agencies. For example, the Columbia University School of Public Health has strengthened their ties with the New York City Health Department to improve the capacity of both entities to meet the objectives set forth in "Healthy People 2000". The University of Washington project forged significant linkages to the State Health Department and Portland Area Indian Health Service. These projects have been successful in providing students with an understanding of, and the ability to assess the strengths/weaknesses of the organizational structure, functions, and plans of local, state and regional public health agencies.

The Conferees considered expanding eligibility to include accredited graduate programs in public health. Most of the accredited graduate programs in public health are new and small, and they were established specifically to fill a geographic void where there was no school of public health. In many cases they serve disadvantaged population and concentrate on addressing the needs of medically underserved communities. Collectively they offer the same range of degrees and are equally committed to "Healthy People 2000 Objectives" in the areas of preventive medicine, health promotion and disease prevention, and improving access to quality of health care services in medically underserved communities. Notwithstanding strong argument in favor of broadening the applicant pool, the Conferees agreed to defer expanding eligibility until the next reauthorization.

### *Training in preventive medicine and dental public health*

Section 763 makes substantive changes to the program of grants for training in preventive medicine by adding authority to found a dental public health program. The Secretary may make grants to and enter into contracts with schools of allopathic and osteopathic medicine, public health, and dentistry to plan and develop new residency training programs, maintain or improve existing residency training programs, or provide financial assistance to residency trainees enrolled in such programs. Eligible schools must make available full-time faculty members with the appropriate training, and provide additional support from faculty trained in public health or other relevant specialties.



### *Authorization of appropriations*

Section 765 is a new section that provides a single authorization of appropriations for carrying out sections 761, 762, and 763 in Subpart I of Part D. For these activities, there is appropriated \$15.5 million in each of fiscal years 1993 through 1995. Not more than 40 percent of total appropriations shall go to Public Health Special Projects authorized in section 762.

#### ALLIED HEALTH TRAINEESHIPS AND SPECIAL PROJECTS

Sections 766 and 767 revise and extend the authorization of appropriations for allied health traineeships and special projects. Although historically only the special projects authority has received appropriations, the Conferees believe the provision of traineeships and other assistance designed to increase enrollment in allied health fields with critical shortages is an appropriate investment of limited health professions funding. The contribution of allied health professions to health reform becomes increasingly important with the growing sophistication of medical technology and the effect that an aging population has on demand for skilled health providers who are not physicians, nurses, or dentists.

In addition, the agreement lifts the restriction of current law which limited traineeship support to doctoral programs. The Conferees believe that individuals trained at the master's level can be effective educators. In view of the need to establish new or significantly expand training programs in such critical professions as physical and occupational therapy, the limited funds made available during this reauthorization period should be channeled into programs that will expand the number of educational opportunities available to students desiring to enter these professions.

The Conference agreement authorizes \$5 million for each of the fiscal years 1993-1995 for the Traineeship program, and \$5 million for each of the fiscal years 1993-1995 for the Special Projects program.

#### HEALTH ADMINISTRATION

Section 771 of the Conference agreement consolidates and makes substantive changes to programs for training health professionals in the field of health administration. The traineeships program has been modified to give preference to students who are committed to careers with public or nonprofit private entities requiring the skills of graduates of health administration programs.

The Conference agreement further requires that the Secretary give preference for Special Projects grants to applicants that demonstrate that not less than 25 percent of their graduates are working in medically underserved communities. Such grantees must demonstrate success in the recruitment and admission of students from medically underserved communities, that establish student training sites with public or nonprofit community-based providers of health care including community health centers, and emphasize employment with public or nonprofit private organizations. The Conference agreement further requires that all grants be peer reviewed. The intent of the Conferees is to ensure that grants are awarded to educational entities that develop or improve programs

to prepare students for employment with public or nonprofit private health organizations.

The Conference agreement authorizes \$2.5 million for health administration activities for each of fiscal years 1993 through 1995. Of the appropriated amounts in any fiscal year, not more than 30 percent shall be obligated for grants to programs of health administration to assist them in development or improvement of programs that prepare students for employment with the kinds of public or nonprofit entities described previously by training them in such settings.

#### HUMAN IMMUNODEFICIENCY VIRUS TRAINING

Section 776 includes the following substantive changes with respect to the program of HIV training for health professionals. In general, wherever references are made in current law to "acquired immune deficiency syndrome", these references are changed to "human immunodeficiency virus". The list of entities eligible to apply for grants is expanded to include "other public or private nonprofit health or educational entities" and in the new subsection (a)(1), the reference to "graduate programs of psychology" is replaced with "graduate programs in mental health practice", which includes clinical psychology, clinical social work, and marriage and family therapy. In addition, the Conferees make clear that training of clinical practitioners is an eligible use of funds under this program. The program is authorized for \$25 million for each of fiscal years 1993-1995.

Section 776(b) authorizes \$7 million for each of the fiscal years 1993-1995 for the dental AIDS health services program. While funds provided for this program fall short of meeting the unreimbursed costs of these dental education institutions, this authority serves as a type of "matching fund" that recognizes the expenditures incurred by dental programs in providing clinical training to students or general dentistry residents who are providing dental care to AIDS/HIV patients.

#### GERIATRICS

Section 777 includes substantive changes to the program of grants for geriatric education centers and geriatric training. The Conference agreement expands the list of eligible entities to include schools of nursing. The agreement allows for the full participation of geriatric psychiatry programs in the geriatric training program. The addition of authority to train geriatric psychiatrists and to base projects in a department of geriatric psychiatry reflects the reality that comprehensive geriatric care requires the involvement of the psychiatric profession, in particular those in the profession who specialize in geriatrics. Geriatric psychiatrists serve multi-faceted roles of consultant, diagnostician, and clinician to elderly patients suffering from organic as well as mental disorders.

The Conference agreement requires that dentists receiving assistance be committed to academic careers in geriatrics.

The Conference agreement authorizes the Secretary to make grants to schools and colleges of optometry for the purpose of providing support for projects to plan, develop and operate postgradu-

ate geriatric training for optometrists, providing financial assistance to program participants, and establishing training affiliations with nursing homes, ambulatory care centers, senior centers, and other settings where elderly individuals live.

It is the intent of the Conferees that in awarding funds for geriatric education and training that special consideration be given to programs that provide training and continuing education to health care professionals (including allied health professionals) in the delivery of health and long-term care services to persons with Alzheimer's disease.

The geriatric programs of education centers and training are authorized at \$17 million for each of fiscal years 1993-1995. The geriatric optometry program is authorized at \$400,000 for each of fiscal years 1993-1995.

#### RURAL AREA PROJECTS

Section 778 extends the authorization of appropriations for the health care for rural areas program. The reference in subsection (c) to "programs of psychology" is replaced with a reference to "mental health practices", which includes graduate departments and programs of clinical psychology, clinical social work, and marriage and family therapy. The rules regarding administration of grants are expanded to include a limitation that precludes a grantee from supplanting existing program funds with other Federal funds awarded under this section. The program is authorized at \$7 million for each of the fiscal years 1993-1995.

#### RESEARCH ON CERTAIN HEALTH PROFESSIONS ISSUES

Section 781 authorizes the Secretary to support research in the following areas: (1) the impact of student indebtedness on specialty choice and practice location and the reasons for the rising cost of medical education; (2) the impact of minority health professions programs on recruitment, retention, and practice choices of minority health personnel; (3) the effectiveness of investigations and disciplinary actions by State licensing authorities; and (4) the specific actions that are necessary to increase the percentage of primary care physicians, and the number of mid-level primary care providers, graduating from health professions schools. In carrying out this section, the Secretary shall ensure that the project is focussed and the evaluation and findings are relevant to the charge outlined in the Conference agreement. The program is authorized at \$4 million for each of the fiscal years 1993-1995.

#### CHIROPRACTIC DEMONSTRATION PROJECTS

Section 782 provides new authority for grants and contracts with accredited colleges, schools, and universities of chiropractic to develop training programs in which chiropractic providers and physicians collaborate to identify and provide effective treatment for spinal and lower-back conditions. Each application for an award under this new authority is required to be submitted to a peer review group for an evaluation of the merits of the proposal. At least two members of the peer review group must be chiropractors. The Conferees expect that existing peer review groups, supplement-

ed if necessary with new members who are chiropractors, would be used for these evaluations. The Secretary should not establish new peer review groups for evaluations of those projects. Not later than February 10, 1995, the Secretary is required to submit to the Senate Labor and Human Resources Committee and the House Committee on Energy and Commerce a comprehensive report summarizing the applications submitted, grants and contracts awarded, and the effectiveness of this program. The program is authorized at \$1 million for each of the fiscal years 1993-1995.

#### PREFERENCES AND REQUIRED INFORMATION

Section 791 establishes funding preferences for qualified applicants who demonstrate a high placement rate of their graduates into practice settings that provide health services to residents of medically underserved communities or who demonstrate a significant increase in the placement of graduates into such settings. The intent of this provision is to provide an incentive for the development of programs that will train health professionals to meet the health service needs of medically underserved communities. The goals of this reauthorization are to increase the number of primary care providers and to provide the access to health services to residents of medically underserved communities. The Conferees encourage the Secretary to develop selection criteria that will insure that only the applicants with quality proposals would be approved.

To ensure that only quality proposals are funded, the Conference agreement specifies that preference not be given to applicants that score in the bottom twenty percent of approved applications.

The Conferees are aware of several programs that have outstanding records of training primary care providers and placing them in rural or medically underserved communities. For example, University of Minnesota School of Medicine at Duluth has achieved a great deal of success in training rural family physicians. At this institution more than 50 percent of all graduates have selected careers in family practice and more than 41 percent have chosen practice sites with a population fewer than 20,000. The Conferees expect that the Secretary will encourage other institutions to demonstrate a similar commitment.

The Conferees wish to emphasize that the definition of medically underserved community encompasses not only currently designated health professions shortage areas (HPSA) and populations served by existing community (CHC), migrant (MHC) or homeless health center but also communities and practice sites which may fit the standards for either of these designations, but which are not, in fact, so designated. One example of a situation in which such flexibility would apply would be a rural or urban community that meets the objective criteria necessary for designation as a HPSA, but which has not sought or received official designation as such from the Department. Another instance might be a church- or locally-run community primary care clinic which is not officially designated as a CHC or MHC, but which nevertheless has as its primary purpose the care of disadvantaged populations whose characteristics are equivalent to those served by CHCs or MHCs.

## OBLIGATED SERVICE REGARDING CERTAIN PROGRAMS

Section 795 contains new language regarding service obligations for a number of student assistance programs, including scholarships for exceptionally financially needy students (section 736) and the scholarship program described in section 740.

Given the Conferees' concern that despite substantial Federal support for health professions education, many health needs go unaddressed due to the lack of primary care providers particularly in underserved areas, the Conferees have tied receipt of Federal scholarship funds to the completion of primary care training programs and the practice of primary care.

Under the terms of the service provisions, students eligible for financial assistance under one of the designated programs will receive the costs of tuition, books and fees of the program. After graduation from allopathic or osteopathic school of medicine or dental school, the individual must enter general dentistry practice, or will have five years to complete a residency program in either family medicine, general pediatrics, general internal medicine, or general dentistry.

## CERTAIN GENERAL PROVISIONS

Section 798 contains new language regarding international medical graduates applying for graduate medical education training (internships and residencies). As a condition of receiving funds under this title, eligible institutions must assure the Secretary that applications from graduates of foreign medical schools for postgraduate residency training programs at their institutions will be considered. The Conferees note, however, this provision is not intended to affect criteria used by the institutions to evaluate applicants including criteria relating to domestic or foreign medical school attended. Furthermore, nothing in this provision may be construed as establishing any private right of action.

## TWO-YEAR SCHOOLS OF MEDICINE OR OSTEOPATHIC MEDICINE

The Conference agreement repeals section 788(a) of the Public Health Service Act. The original purpose of this grant program for two-year schools of allopathic or osteopathic medicine was to provide assistance in maintaining and improving programs at those institutions. The program was created at a time when it was projected that there would be a shortage of physicians. The Conferees have placed an emphasis on training programs designed to increase the number of primary care physicians and to improve the geographic maldistribution problem rather than programs designed simply to increase the number of physicians.

Two-year schools of allopathic and osteopathic medicine are eligible to apply for funds under the Area Health Education Center program (section 746), Family Medicine program (section 747), General Internal Medicine and General Pediatrics program (748), Acquired Immune Deficiency Syndrome program (section 776), and Rural Health program (778).



## TITLE II—NURSE EDUCATION ACT

When the Congress last reauthorized the Nursing Education Act in 1988, it called for an evaluation of projects funded under title VIII of the Public Health Service Act. In May 1991, the Secretary issued a final report to Congress on the evaluation of these projects. The report provided an overview of how and to what extent the grants carried out under each of the Title VIII sections had met their legislative objectives. A major conclusion from the evaluation study was that Federal funds provided to schools of nursing were an important source of development and start-up funds for graduate nursing education, and served as an incentive for innovation in nursing practice.

The Conferees recognize that many steps have been taken to address the current shortage of registered nurses and that the Nursing Education Act has helped to address this critical shortage. The goals of this reauthorization are to train more nurse practitioners, nurse midwives, and nurse anesthetists, and to improve access to health care in medically underserved and rural areas.

### AUTHORIZATION PERIOD

The Conference agreement extends for two fiscal years the authorization of appropriations for expiring nurse education programs. This will ensure that when Congress considers the reauthorization of title VIII programs, neither the disadvantaged student assistance programs nor other title VII programs are being reauthorized. Maintaining the discrete focus of Federal assistance on nursing education underscores the continued importance that Congress places on the contribution of nursing to the provision of health care generally and health care reform in particular.

### SPECIAL PROJECT GRANTS AND CONTRACTS

Section 202 of the Conference agreement streamlines the nursing special projects authority to place greater emphasis on a smaller number of categorical areas. The Conferees were concerned about the growing diversity of special projects at a time of declining resources. Accordingly, the Conference agreement sharpens the focus of the special projects statute by limiting assistance to four specific categories. These categories include: (1) expanding enrollment in professional nursing programs; (2) promoting career mobility programs which upgrade the skills of licensed vocational or practical nurses, nursing assistants, other paraprofessional nursing personnel; (3) supporting programs that provide continuing education for nurses providing care in medical underserved or rural communities; and (4) developing or expand programs that improve access to primary care in noninstitutional settings in medically underserved or rural communities. By specifying only a limited number of eligible project categories, the Conferees intend to focus resources on activities that will make the most important contribution to expanding the number of educational opportunities available to individuals desiring to pursue a nursing career.

One of the four priority projects is education and training programs for nursing assistants and other paraprofessional nursing personnel to become licensed vocational or practical nurses or, po-

tentially, registered nurses. The Conferees intend that this demonstration be coordinated with similar special projects to provide a comprehensive career development ladder for all categories of nursing personnel. The proposal is modeled in many respects after reports of the successful New York City Project "Ladders in Nursing Careers" (LINC), which provides counseling services as well as tuition assistance to nursing students. The Conferees believe that nursing providers and the professional nursing profession generally should look toward entry level nursing personnel as viable candidates to pursue educational opportunities to become professional nurses. With respect to LPN-LVN programs, the Conferees intend that funding be awarded solely to schools whose educational curriculum is approved, certified, or otherwise endorsed by the applicable State board as meeting the requirements for such programs.

The Conference agreement modestly reduces the authorization level below the comparable fiscal year 1992 appropriations, consistent with the Conferees' beliefs that additional funds are necessary to expand support for the training of nurse midwives and nurse practitioners. The Conferees recommend that funds no longer necessary to maintain the fiscal year 1992 level of special projects program activity be allocated to nurse practitioner and nurse midwife training activities under section 822. The program is authorized for \$10.5 million for each of the fiscal years 1993-1994.

The Conferees recognize that a number of grants originally awarded under the old special projects authority involve multi-year project periods. Subject to the Secretary's discretion, the Conference agreement contains a provision to permit continued support of such projects through the originally agreed upon project period.

#### ADVANCED NURSE EDUCATION

Section 203 of the Conference agreement makes substantive changes to the program of grants for Advanced Nurse Education (section 821). The Conference agreement continues the Congress' commitment to support the education of nurses who are pursuing advanced education, especially in clinical specialties and public health nursing. The Conference agreement eliminates grants or contracts for programs training nurse researchers and nurse administrators and requires that not more than 10 percent of the appropriation in any fiscal year be used for providing grants or contracts for programs leading to doctoral degrees. The Conferees are aware of the need for nurse researchers. The National Center for Nursing Research (NCNR) was established in 1986 at the National Institutes of Health to foster, conduct, administer, and support research training programs directed at promoting the growth and quality of research related to nursing and patient care. The fiscal year 1992 appropriation for the NCNR is \$45 million, and the Conferees note there are funds available through the recently designated National Institute of Nursing Research (NINR) to support training. NINR supports nursing research through research grants, cooperative agreements, and research and development contracts. The Conferees believe that the NINR provides an appropriate source of funds for training nurse researchers. In addition, nurses interested in pursuing careers in administration can receive sup-

port on a case by case basis in traineeships in public health and health administration. There is authorized to be appropriated \$12 million for fiscal years 1993 and 1994 for section 821.

#### **NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS**

Section 204 of the Conference agreement makes changes to the program of grants and contracts for Nurse Practitioner and Nurse Midwife training. Nurse practitioner and nurse midwifery programs have contributed to improving the quality of care by expanding the nurse's role in assessment and case management and in increasing access to primary health care, particularly in medically underserved or rural communities. The Conference agreement emphasizes the need for recipients of funds to work in medically underserved or rural communities. The Conference agreement expands funding for nurse practitioner programs that train providers to treat adolescents and children by removing the special consideration previously provided for geriatric and gerontological nursing applications. There is authorized to be appropriated \$20 million for fiscal years 1993 and 1994.

#### **NURSING EDUCATION OPPORTUNITIES FOR INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS**

Section 205 makes no changes to the program of grants for Nursing Education Opportunities for Individuals from Disadvantaged Backgrounds. This program assists students from disadvantaged backgrounds to overcome financial, educational, or cultural barriers that prevent entry into nursing schools and interfere with successful completion of their studies. The Conferees emphasize that students who may have an associate degree in nursing would be eligible to receive funding under this section if they are financially, educationally or culturally disadvantaged. There is authorized to be appropriated \$5 million for fiscal year 1993 and \$6 million for fiscal year 1994.

#### **TRAINEESHIPS FOR ADVANCED EDUCATION OF PROFESSIONAL NURSES**

Section 206 of the Conference agreement includes substantive changes to the Traineeships for Advanced Education of Professional Nurses. The Conference agreement allows all individuals interested in pursuing graduate level training as nurse clinicians the opportunity to become registered nurses. This will also allow students in graduate-level nursing programs to participate in traineeships when they have completed their basic nursing preparation, as defined by their schools. No longer will licensure as a registered nurse be a prerequisite for recipients of these stipends. The Conference agreement emphasizes preference for clinicians but authorizes traineeships for public health nurses and nurse educators. The Conference agreement eliminates the post-baccalaureate faculty fellowship and requires that not more than 10 percent of funds appropriated under this section in any fiscal year be used for providing traineeships to individuals pursuing doctoral degrees. To support traineeships for the advanced education of nurses, the Conference agreement authorizes \$20 million for each of the fiscal years 1993 and 1994.

#### NURSE ANESTHETISTS

Section 207 makes changes to the program of grants and contracts for training nurse anesthetists. Recognizing the important role that nurse anesthetists fill in medically underserved and rural communities, the Conference agreement supports additional funding to maintain, expand, or establish new programs for training nurse anesthetists and to provide additional traineeships to the students. The Secretary will give preference to applicants that provide their students with clinical training in rural health settings. Grant recipients must give preference in awarding traineeships to individuals who are residents of medical underserved areas. The Conference agreement authorizes \$3 million for fiscal year 1993 and \$4 million for fiscal year 1994.

#### STUDENT LOANS

Section 208 of the Conference agreement makes changes to the program of Allotment and Payment of Federal Capital Contributions to schools of nursing. The Conference agreement amends section 838 (a)(3)(A) to require that funds remain in the Nursing Student Loan Program until expended, rather than only for the current two year period, after which time they could have been spent for other Department of Health and Human Services' purposes. The Conference agreement ensures that nursing student loan money will be used only for nursing loan programs and will not be diverted to other purposes in the Department.

#### PREFERENCES AND REQUIRED INFORMATION

Section 209 establishes funding preferences for qualified applicants who demonstrate a high placement rate of their graduates into practice settings that provide health services to residents of medically underserved communities or who demonstrate a significant increase in the placement of their graduates into such settings. The intent of this provision is to provide an incentive for the development of programs that will train health professionals to meet the health service needs of medically underserved communities. These preferences are substantively identical to the preferences applied to title VII programs under section 791 of this Act.

#### TRANSFER OF LOAN REPAYMENT PROGRAM

Section 211 of the Conference agreement includes substantive changes to the loan repayment program. Subsection (h) and section 837A have been deleted and the authority for the Loan Repayment Program is transferred to a new subpart. Section 846 facilitates the employment of nurses in medically underserved or rural areas by providing federal funds to repay student loans for those agreeing to serve in such areas. The Conference agreement supports the implementation of the loan repayment program as a method of reducing or eliminating financial barriers to nursing education. The Conference agreement authorizes \$5 million for fiscal year 1993 and \$6 million for fiscal year 1994.

# ADVISORY COUNCIL ON NURSES EDUCATION AND PRACTICE

Section 212 of the Conference agreement redesignates the National Advisory Council on Nurses Education as the National Advisory Council on Nursing Education and Practice.

## TITLE III—MISCELLANEOUS PROVISIONS

### ADVISORY COUNCIL ON GRADUATE MEDICAL EDUCATION

Section 301 of the Conference agreement makes substantial changes to the provisions for the Advisory Council on Graduate Medical Education. The Conference agreement deletes the separate authorization of appropriations for the Council on Graduate Medical Education (COGME). The Conferees expect that funding for COGME's activities will continue to be provided by the Health Resources and Services Administration from general administrative sources. In addition, the Conference agreement revises the statutory authority of COGME to reflect the temporary nature of its mandate and specifies that a final report will be presented to the Secretary and to the Congress no later than April 1, 1995. Under the Conference agreement, the COGME will expire on September 30, 1995. It is anticipated that the final report of COGME will be thoroughly considered by the Congress during the scheduled reauthorization for health professions programs under title VII of the Public Health Service Act that will occur during fiscal year 1995.

The Conferees believe that in its final 3 years, the COGME should play an increasingly active role in analyzing and making policy recommendations concerning such issues as supply of critical health professionals to serve in shortage areas and the effect of funding and reimbursement policies as potential disincentives to the choice of primary care training and service in underserved areas.

### COMMISSION ON ALLIED HEALTH

Section 302 of the Conference agreement establishes a national commission to make recommendations to the Secretary and appropriate Committees of Congress on issues such as the supply and distribution of allied health personnel, and current and future shortages of allied health personnel.

### STUDY REGARDING CLINICAL LABORATORY TECHNOLOGISTS FOR MEDICALLY UNDERSERVED AND RURAL COMMUNITIES

Section 303 of the Conference agreement provides authority for the Secretary to conduct a study on the shortage of clinical laboratory technologists. The Conferees are concerned about the reports of a nationwide shortage of clinical laboratory technologists and the adverse impact such a shortage could have on rural and other underserved areas. The Conferees expect the Secretary to consider, in carrying out this study, the need for and appropriateness of alternative mechanisms for increasing the supply of clinical laboratory technologists including certification through a competency-based examination and recognition of private certifying organizations.



#### RESIDENCY TRAINING PROGRAMS IN EMERGENCY MEDICINE

Section 304 of the Conference agreement authorizes the Secretary to make grants for planning and developing residency training programs in emergency medicine (section 1251) if the training programs will provide education and training in identification and appropriate referral of cases of domestic violence. The program is authorized at \$400,000 for each of the fiscal years 1993 through 1995.

#### CERTAIN CLINICAL TRAINEESHIPS

Section 305 of the Conference agreement amends Section 303(d)(2) of the Public Health Service Act to expand the locations that fulfill required service obligation by including the provision of mental health services in local or federal prisons or correctional facilities for individuals receiving clinical traineeship in psychology, psychiatry, nursing, marriage and family therapy, or social work.

#### SPECIAL CONSOLIDATION LOAN PROGRAM

Section 306 of the Conference agreement amends Section 428C of the Higher Education Act of 1965 to allow Health Education Assistance Loans (HEAL) to be made part of a consolidated loan without a Federal subsidy. HEAL loans are authorized under Subpart I of Part A of Title VII of the Public Health Service Act.

#### NATIONAL ADVISORY COUNCIL ON MEDICAL LICENSURE

Section 307 of the Conference agreement provides authority for the establishment of a National Advisory Council on Medical Licensure ("The Council"). The Council will provide advice to the Secretary regarding the operation of the system established by the American Medical Association for the purpose of verifying and maintaining information regarding the qualifications of individuals to practice medicine regarding the establishment and operation of any similar system. The Council will also determine the extent to which the verification system has expedited or otherwise improved the efficiency and equitable operation of the process of licensure by endorsement. In addition, the Council will also review policies, practices, and laws of States in licensing international and domestic medical graduates, determine the effects of these policies, and consult with State authorities that license individuals to practice medicine to recommend non-discriminatory practices in licensure and licensure by endorsement.

The Conferees expect that the deliberations of the Council, will be conducted in an objective setting, will promote constructive dialogue between concerned organizations, and will systematically review all facets of State policies and practices affecting licensure and licensure by endorsement for graduates of both U.S. and international medical schools.

The Council will continue in existence until the submission of its final report or not later than September 30, 1995, whichever is earlier. The Council is required to prepare and submit a report to the Secretary, the Senate Committee on Labor and Human Resources, and the House Committee on Energy and Commerce on its findings and recommendations.

## INSTRUCTION ON PREVENTION OF TRANSMISSION OF BLOODBORNE DISEASES

Section 308 of the Conference agreement requires assurances by applicants that all trainees, as appropriate, will receive instruction in the utilization of universal precautions and infection control procedures for the prevention of transmission of bloodborne diseases. The Conferees believe that it is critical that all health professions trainees receive instruction in universal precautions and infection control procedures for the prevention of transmission of bloodborne diseases.

## STUDY ON THE EFFECTIVENESS OF HEALTH PROFESSIONS PROGRAMS

Section 309 of the Conference agreement provides for a study by the General Accounting Office (GAO) of the effectiveness of programs funded under titles VII and VIII. Six months prior to the next reauthorization of Titles VII and VIII, the Conferees expect to be able to be guided by findings from a comprehensive GAO assessment of the effectiveness of the programs to achieve stated goals, including alleviating shortages and encouraging practice in underserved and rural communities; and of the relative effectiveness of the various funding mechanisms, the duration of service of former program participants in medically underserved or rural communities, and the geographic distribution of former program participants. In this context, the Conferees request that the GAO include in its study a review of the continued fragmentation of funding to categorical groups of health professionals, and recommend alternative models of funding the training of health professionals.

## DELAYED APPLICABILITY OF CERTAIN PROVISIONS

Section 310 of the Conference agreement amends section 403A(a)(1) of the Federal Food, Drug, and Cosmetic Act to allow states with their own maple syrup regulatory programs to continue to enforce existing state standards until September 1, 1994 without being preempted by federal regulations. During this time it is expected that the Food and Drug Administration will act on petitions for exemption from preemption filed by any interested state under the Nutrition Labeling and Education Act of 1990 (NLEA).

Passage of the NLEA had the effect of preempting any state standard of identity for maple syrup which is more stringent than the federal standard established under regulation. A number of states, such as Vermont, Maine and New York, have established standards for maple syrup which are stricter than federal requirements.

## NATIONAL ADVISORY COUNCIL ON HEALTH PROFESSIONS

The Conference agreement provides for the repeal of the National Advisory Council on Health Professions effective October 1, 1992. The Conferees believe that the function and the priority of the health professions programs under title VII has changed sufficiently as a result of the Conference agreement and the Disadvantaged Minority Health Improvement Act of 1990 that a single advisory council is no longer an appropriate vehicle for providing guid-

ance to the Secretary on the appropriate direction of health manpower policy in areas as diverse as veterinary medicine, pharmacy, podiatric medicine, allied health, clinical psychology, allopathic and osteopathic medicine, and dentistry.

JOHN D. DINGELL,  
HENRY A. WAXMAN,  
BILL RICHARDSON,  
NORMAN LENT,  
TOM BLILEY,

*Managers on the Part of the House.*

EDWARD M. KENNEDY,  
HOWARD M. METZENBAUM,  
PAUL SIMON,  
ORRIN HATCH,  
NANCY LANDON KASSEBAUM,

*Managers on the Part of the Senate.*

○